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PARIS, WEDNESDAY, JUNE 30, 1993

U.S. Jet Fires a Missile At Iraqi Military Radar Site Said to Lock Onto a Patrol Plane, But Clinton Plays Down the Incident

WASHINGTON — An American jet fired a missile at an Iraqi anti-aircraft radar in southern Iraq on Tuesday after the radar had locked onto one of two U.S. jets patrolling the area, the Defense Department reported.

Michael Doubleday, a navy captain who is a Pentagon spokesman, said that there was no immediate information on whether the missile had destroyed the radar installation, in the region of Basra.

On Sunday morning, the United States fired 23 cruise missiles at Iraq's intelligence complex in Baghdad in retaliation for what Washington said was an attempt by Iraq to murder former President George Bush in Kuwait in April.

President Bill Clinton reiterated Tuesday that the Iraqi government had been behind the assassination plot against Mr. Bush.

Looking ahead, Mr. Clinton said the possibility of improving relations with Iraq were "very difficult to conceive" as long as President Saddam Hussein "persists in his stubborn refusal" to heed international law.

But President Clinton played down the significance of the U.S. jet attack on the Iraqi radar site Tuesday.

He brushed aside a question as to whether the Iraqi action of locking the radar on the U.S. jet — a step preparatory to firing — was possibly in retaliation for the weekend missile strikes.

"I wouldn't read too much into it," Mr. Clinton said.

As for the strike on Sunday, he defended it as the appropriate response.

"The best possible target was the target of the intelligence operation," Mr. Clinton said. He added that the intelligence headquarters was where "in all probability the operation was planned."

He repeated that the attack with Tomahawk cruise missiles, "sends the appropriate message, given the facts of this case."

Mr. Clinton asserted that the plot against Mr. Bush had been authorized at the "highest level" of the Baghdad government, but he refused to say whether that meant President Saddam himself.

"I have given you the only answer I think it is appropriate to give," he said.

Captain Doubleday said two U.S. Air Force Wild Weasel jets were patrolling over southern Iraq shortly after 5 P.M. local time when the forces of Saddam Hussein use an iron fist to control southern Shiite area. Page 4.

radar of an anti-aircraft gun emplacement sought them out.

"It illuminated one of the two aircraft in the flight," he said.

One of the jets fired a high-speed anti-radar missile at the site, he said. The missiles are designed to detect radar waves and follow them to their source.

A Baghdad spokesman said one Iraqi serviceman had been wounded in the attack.

U.S. and other warplanes have been policing no-flight zones over northern and southern Iraq to protect dissident Kurds in the north and Shiite Muslims in the south from attack by Iraqi aircraft.

Captain Doubleday said the attack Tuesday was the first in either of the no-flight zones since an April 18 incident in which a U.S. jet also fired a missile at a radar site.

In Baghdad, Iraqis looted the sky over the city with anti-aircraft fire Tuesday, but there was no indication of a new U.S. attack, and an Iraqi official said the gunners might have fired on one of their own planes by mistake.

An Iraqi Information Ministry official, See IRAQ, Page 4.



ZAP! — Martina Navratilova swatted Natalia Zvereva away in Wimbledon quarterfinals Tuesday as she moved toward a showdown with Steffi Graf. Page 23.

Paris Rules Out Pact On Trade at Summit

Bonn and Tokyo Oppose Call for Growth Targets

Balladur Says U.S. Must Bend On Steel Duties

By Steven Greenhouse
New York Times Service

WASHINGTON — The United States, Japan and Germany are at loggerheads over an American proposal that the Group of Seven industrial nations set specific targets for annual economic growth when they meet next week in Tokyo, Western officials said Tuesday.

They said Japan and Germany had opposed Washington's calls for setting a 3 percent target for growth and setting a ceiling on the size of each country's trade deficit or surplus.

"How can someone promise 3 percent growth?" asked a senior German official. "It's not engineering that we're doing. It's economics."

Officials who oppose the American idea said it would often be impossible for countries to achieve such targets, and as a result, the Group of Seven as a whole and its member nations would lose credibility. But U.S. officials said the mere existence of such targets would create desirable external and internal pressures on governments to increase their growth rate.

Even though the Group of Seven community will not call for the targets Washington sought, U.S. officials said that as a result of their lobbying for faster growth, the community would make a strong call to speed up growth and reduce trade imbalances and would recommend how those goals can be achieved.

In calling for specific targets, the Clinton administration has two main objectives: to step up the pressure on Germany to lower its interest rates and to pressure Japan to speed up its economic growth and cut its trade surplus.

Britain, France, Italy and Canada are the other Group of Seven nations.

U.S. officials assert that faster growth in Europe and Japan, as well as a smaller Japanese trade surplus, will accelerate growth in the United States by increasing American exports. U.S. officials also say faster growth among industrial nations is vital for helping the developing world.

"We are exploring options to help create a growth agenda for the summit," an administration official said.

In interviews, officials said the Group of Seven would take the following actions at next week's annual economic summit meeting in Tokyo:

- Moving forward with a fund to help private

By Roger Cohen
New York Times Service

PARIS — Prime Minister Edouard Balladur of France said Tuesday that any trade agreement at next week's summit meeting of industrialized nations would be impossible as long as the United States maintains its determination to impose punitive duties on European steel.

His statement in a radio interview came as a senior French official who will be attending the meeting in Tokyo starting on July 7 ruled out any formal accord on lowering tariff barriers to multilateral trade under a "market access" agreement.

Such an accord, which might open the way to a broader agreement in the Uruguay Round of world trade talks, has been actively sought by

Clinton says Japan slams competition out in order to maintain high employment. Page 15.

The departing GATT director-general warns against protectionism. Page 17.

U.S., Canadian, Japanese and European Community trade officials in a series of discussions due to resume in Toronto on July 6.

"We think this July 6 meeting, a day before the summit, is rather stupid," said the French official, who insisted on anonymity. "Whatever the result, there will not be time for European Community member states, including France, to approve the outcome. So there will be no accord on market access in Tokyo."

The market access talks, which foundered last week in Tokyo on the issue of U.S. protection of its textile industry, are aimed at reducing a wide range of tariffs on goods and services to spur world trade and help stimulate the sagging world economy.

Short of a full General Agreement on Tariffs and Trade accord, which economists believe could add \$200 billion a year to the world's \$7.6 trillion in annual trade, participants at the summit talks, including the U.S. trade representative, Mickey Kantor, have held out the hope that at least some headway on market access could be made.

The French rejection of any possible accord could amount to posturing ahead of tough negotiations. But the official, a seasoned participant in the G-7 meetings, seemed resolute in saying there would be no agreement.

This would mean that, once again, for the fourth time in succession, a summit meeting of industrialized nations had failed to secure progress on trade.

Mr. Balladur combined his statement with a declaration that he would not be attending the meeting because the French position is firm and could be adequately defended by President François Mitterrand and Foreign Minister Alain Juppé.

Referring to the U.S. Department of Commerce's finding last week in favor of duties on flat-rolled steel products from 20 countries including France, Mr. Balladur said the removal of the threat of these duties "is a precondition for a successful conclusion at the summit with respect to trade agreements."

On Monday night, he told reporters: "There is no question of our negotiating or of our accepting any agreement whatsoever while submitting to a national law that does not conform to international rules."

The findings of the U.S. Commerce Department have now been submitted to the U.S. International Trade Commission, which will determine within 45 days of June 21 whether the steel imports are causing injury to the U.S. steel industry. The duties — making the foreign steel much more expensive in the United States — would then be imposed.

A U.S. official in Paris said there was no way that the Clinton administration could respond to what amounted to an ultimatum from Mr. Balladur. "This is a legal proceeding and it is not something that the U.S. administration can revoke," he said.

The senior French official reiterated France's rejection of an agricultural agreement known as "Blair House" concluded last year between the United States and the European Community. Although France has now accepted the proposed cuts in oil-seed production, it still opposes the part of the accord that foresees substantial cuts in European Community agricultural exports over the next six years.

The Blair House accord had been seen as opening the way for fast progress in the GATT discussions. But like other sources of optimism since the talks began in Montevideo in 1986, it has proved empty.

Rather than arguing about tariffs, the official suggested that more attention should be paid to monetary questions, where exchange-rate volatility was having a profound impact on international trade. She said that French authorities believe the dollar is undervalued, and should rise by as much as 20 percent against the franc and the Deutsche mark.

A Prophet Crying in Europe's Industrial Wilderness

By Brandon Mitchener
International Herald Tribune

FRANKFURT — If Europe is Troy, Konrad Seitz is its Cassandra.

For years, the industrial policy guru who is now Germany's ambassador to Italy has warned Europe's business and political elites that the Continent — but especially Germany — faces economic ruin as a result of rising costs and aging industries.

Caught between exporters in Asia and Eastern Europe who rely on cheap labor and the high-tech empires of Japan and the United States, Europe risks losing its position in traditional industries, with increasingly devastating consequences for labor, he says.

And there is, for now, no adequate alternative future, Mr. Seitz adds.

With no end in sight to rising unemployment

Starting Over
Restructuring businesses and economies.
A continuing series of articles.

throughout the European Community, it looks as if his prediction is beginning to come true. But Mr. Seitz's solution — a European industrial

policy of economic restructuring that abandons industries such as steel, shipbuilding, coal mining and agriculture in favor of sponsoring a high-tech offensive — until recently found little following.

Otto Lambsdorff, former chairman of the Free Democratic Party, which has controlled the German Economics Ministry for the last decade, once dismissed Mr. Seitz as an advocate of the command economy with the remark that "people should read more Adam Smith and less Konrad Seitz." The rejection still lingers in the corridors of power.

The Federation of German Industry, a powerful lobby group, gives Mr. Seitz credit for having popularized a problem, but said it stands for less government involvement in the economy, not more.

"There are still attempts on a European level to do something in industrial policy, but Germans are more skeptical because that means you could expect a greater government interference in a lot of areas," said Peter Biesenbach, an official in the federation's department of research, technology and structural policy. "Businesses make better decisions than bureaucrats."

See SEITZ, Page 7

Algiers Feels Pressure To Govern With Radicals

By William Drozdzik
Washington Post Service

ALGIERS — Nearly 18 months after the army-backed government began cracking down on Islamic fundamentalists — just when they appeared ready to win Algeria's first democratic elections — economic woes are prompting Algerians now to consider a national unity government with the Muslims.

Amid a new wave of terror against intellectuals, which the government blames on Islamic militants, some members of the country's educated middle class are worried that a moment of reckoning may be near. They believe the terrorism will lead either to civil war or in a historic compromise.

"Either way, I see the intellectuals and the middle class will end up losing," a writer said. "This kind of deal is slowly taking shape and is being done behind our backs. And that's why some of us have concluded we have no future here."

When the government decided in January 1992 to cancel the elections, the leadership faced a quandary over how to deal with the Islamic Salvation Front.

The militant religious alliance had captured more than 3 million votes in the first round of balloting and appeared set to establish the first Muslim fundamentalist regime on the Mediterranean.

The National Liberation Front, which had ruled Algeria since independence three decades ago, scolded on its last legs, and Western and neighboring states quaked at the prospect of another Iran-like Islamic revolution.

The leadership oscillated between two views, according to officials. The conciliatory wing wanted to bring the fundamentalists into the political process and compel them to share responsibility for the painful changes needed to overhaul an economy nearly bankrupt despite huge oil and gas reserves.

A more tough-minded faction wanted to outlaw the Islamic militant group, known by its French acronym FIS, imprison its hierarchy and launch a crackdown that would stamp out the appeal of Islamic fundamentalism in a society that has long prided itself on its diversity and mediating role between Arab and Western cultures.

The hard-liners carried the day. The FIS was banned as a political party, nearly 1,000 of its leaders were detained while others went into

See ALGERIA, Page 4

IMF to Release Russia Loan Fund Relaxes Its Standards for Moscow

By Daniel Williams
Washington Post Service

WASHINGTON — After weeks of dispute with Washington over how much favor to show Moscow, the International Monetary Fund plans to release a \$1.5 billion loan in Russia on Wednesday under relaxed rules designed to speed the country's shift to a market economy, U.S. and financial sources say.

The fund's managing director, Michel Camdessus, informed IMF members Friday of his decision to put the loan to a vote of the IMF board. The United States and allied governments hold a large share of IMF votes, making approval Wednesday a foregone conclusion.

The decision averts a potentially embarrassing scene at next week's summit meeting of the Group of Seven industrial nations in Tokyo, where President Boris N. Yeltsin of Russia is an invited guest. In part, the leaders of the world's seven richest nations — the United States, Japan, Germany, France, Britain, Canada, and Italy — are gathering to finalize a \$28 billion aid package designed by G-7 foreign and finance ministers in April. President Bill Clinton had made speedy aid in Russia a centerpiece of his policy toward Moscow.

Many IMF officials are skeptical of Russia's long-term ability to qualify for IMF loans. Still, a few signs of improved performance, especially in controlling inflation, shook loose the \$1.5 billion loan, the first in a series proposed for Russia, U.S. and financial sources said.

The IMF loan is being released on promises from Moscow that it will bring spending under control, cut its budget deficit and meet other IMF requirements. Mr. Camdessus got assurances from the director of the Russian central bank, Viktor Geraschenko, that the bank will stop printing rubles wildly and lend money at realistic interest rates, U.S. officials said.

To receive the next \$1.5 billion, Russia will have to make good on these pledges in the next few months, the officials said. To qualify for larger loans next year, Russia will be expected to meet stricter standards of financial control.

The loan breaks a logjam of conflicting opinion about the effectiveness of Russian reforms and the IMF's watchdog function. Fund officials require strict adherence to their formula, and point to economic turnarounds in Estonia and Poland as examples of its effectiveness.

U.S. officials contended that political imperatives should override IMF concerns and urged the fund to approve the loans rather than wait for Moscow's full compliance with the usual conditions.

Under normal IMF rules, Russia would not qualify for loans. Inflation there is running at about 2,000 percent a year, the government spending deficit amounts to about 20 percent of the country's gross national product, and the central government continues to prop up inefficient state-owned industries.

Kiosk

Haiti General Sets Conditions to Quit

UNITED NATIONS, New York (Reuters) — Talks to restore democracy in Haiti inched forward on Tuesday as the country's military leader, General Raoul Cedras, told UN negotiators he was willing to resign provided he could set the conditions.

But diplomats said the conditions would probably not be acceptable to President Jean-Bertrand Aristide, who was ousted in a September 1991 military coup.

They said General Cedras told the UN mediator, Dante Caputo, that he would quit provided the country's military high command remained in place.

U.S. Allows Murdoch To Buy New York Post

WASHINGTON (AP) — Saying hundreds of jobs were at stake, the Federal Communications Commission gave Rupert Murdoch permission on Tuesday to buy the New York Post while owning WNYW-TV in New York City. The 2-to-1 decision was the first time the government had waived its rules against letting a single owner hold both a daily newspaper and television station in the same city.

Book Review Page 10

Dow Jones	Down 11.35	3,518.85
Trib Index	Down 0.31%	102.45

The Dollar	Time close	previous close
New York	1.6891	1.6896
Doll	1.5115	1.4968
Pound	106.35	106.25
Yen	5.69	5.716



SUSPECT IN PROSTITUTE SLAYINGS — New York state police escorting a suspect who they said had confessed to killing 17 prostitutes. Joel Rifkin, 34, an unemployed landscaper, was arrested after a body was found in his pickup truck. A not-guilty plea on one count of second-degree murder was entered for him Tuesday.

For Solzhenitsyn, a New Dacha in Stalinist Haunts

By Margaret Shapiro
Washington Post Service

TROITSE-LYKOV, Russia — For decades the riverfront estates here, surrounded by a high wooden fence topped with barbed wire, housed the high and mighty of the Soviet system, people who served communism well and were rewarded with cars, drivers and secluded dachas just 20 minutes from the Kremlin.

So many find a sweet irony in the current turn of events: An estate built for one of Stalin's most ruthless henchmen, Lazar M. Kaganovich, will soon house the Soviet Union's most famous dissident and writer, Alexander I. Solzhenitsyn, whom Kremlin rulers exiled in 1974 for his thundering criticisms of the Soviet system.

For now, Mr. Solzhenitsyn, 74, still lives in the tiny Vermont town of Cavendish, where he settled with his wife and three sons nearly two decades ago.

The reclusive Mr. Solzhenitsyn is saying little about his plans. The Nobel Prize winner's wife, Natalia, who has long played the role of his liaison to the outside world, is now in Russia and said that she and her husband would move here when construction is finished on the house, probably next May.

"We shall come back as soon as our house is ready and Alexander Iayevich is able to settle in it," she said in an interview with Commonwealth television. "Of course he cannot live in a hotel room."

In a later telephone interview, Mrs. Solzhenitsyn said that only she, her husband and her mother would be living in the Russian residence. The couple's three sons, Yermolai, 22, Ignat, 20, and Stepan, 19, will remain in the United States to continue their studies and will continue to use the Solzhenitsyns' rustic Vermont house, which the writer does not intend to sell.

The new home for the author of such 20th-century classics as "The Gulag Archipelago" and "A Day in the Life of Ivan Denisovich" will soon occupy a woody, private 10 acres (4 hectares) on a high bank of the Moscow River. The land was given to Mr. Solzhenitsyn by city authorities in recognition of his historic role and his persecutions by the Soviet state.

Mr. Solzhenitsyn paid about \$6,650 in January for the buildings on the property, including an old, rambling wooden dacha that he has since had torn down, a separate bathroom, smaller lodge, garage, chicken house, ice house and vegetable storehouse, according to Yuri Vladimirov, head of Moscow's land committee.

The land was part of a tract given in 1935 to Mr. Kaganovich, a Stalinist who led the collectivization of Ukrainian peasants, in which millions starved, and also sent thousands of Communist Party faithful to their deaths in the purges of the late 1930s. After that, a succession of Soviet cabinet ministers lived there.

Today workers have begun building a brick house on the land, but nobody will reveal exactly what it will look like and how much it will cost.

Mr. Solzhenitsyn's expected resettlement here has caused a stir among his fellow intellectuals, who wonder how, after an absence of 19 years, he will adapt to the new democratic protocols.

See DACHA, Page 14

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Defying Assimilation, Some Immigrants to U.S. Find Success

By Deborah Sontag
New York Times Service

NEW YORK — For Guilienne Andelin, 15, a Haitian-American who attends a predominantly black high school in Miami, assimilation is a dirty word. It means joining the ranks of the disaffected in her inner-city neighborhood, she said, and being stamped as a "dummy" by a broader American society that she believes does not see beyond color. It means abandoning her immigrant parents' dreams for her future, and she simply refuses to do that.

"Nothing could stop me from trying to have a better life than we have now," she said. The first broad study of the children of immigrants in 50 years debunks a long-standing assumption that the American immigrant experience: that assimilation is the only path to success for immigrants' children.

Immigrants, like Guilienne's parents, are most likely to settle in inner-city neighborhoods, where assimilation often means joining a world that is antagonistic to the American mainstream. But, according to the study by Johns Hopkins University, many prove successful by remaining in their insular ethnic communities and shunning out the apathy around them.

"This situation stands the cultural blue-

print for the advancement of immigrant groups in American society on its head," said Alejandro Portes, the Johns Hopkins sociology professor who directed the study.

But the findings do not indicate that immigrants' children, like Guilienne, are growing up "un-American," assumed solely to the language and culture of their parents' homeland. In fact, the study found, most of them, while bilingual, prefer English to their parents' native language and speak it fluently, better than their parents' tongue. And most also hold on to the strong aspiration of social mobility through education that propelled earlier immigrants into the melting pot of American society.

Guilienne, for instance, is not daunted by the fact that her parents, a garbage collector and a nurse's assistant, have only eighth-grade educations. Neither are her dreams marred by the widespread poverty in her Little Haiti neighborhood, which many of her peers will not escape. Unlike some other Haitian-Americans, she has chosen to ignore the peer pressure to be cool, bored and indifferent, preferring to remain true to the immigrant values of her hard-working parents.

"I will stay in school as many years as they tell me I have to in order to become a judge," Guilienne said.

Nonetheless, she and other children of immigrants are far different from the earlier 20th-century immigrants' children, who felt they had to reject the Old World to get ahead in the New. Today's children are predominantly Hispanic, Asian and Caribbean, facing racial barriers that did not exist for their European predecessors and economic barriers that threaten to condemn them to a swelling underclass.

Fifty years ago, the children of European immigrants were joining an expanding American industrial work force. Now second-generation Americans find their prospects for advancement in the working class limited.

The number of immigrants' children in the United States peaked in 1940 at roughly 28 million, but that number is expected to be surpassed any year now. In 1990, there were about 24.8 million immigrants' children, of whom about 7.7 million were born to immigrants who arrived after 1960.

Mr. Portes, whose research was largely financed by the Mellon Foundation, collaborated with Florida International University in Miami and the University of California at San Diego to complete his study of immigrants' children. It is the first study since Irving Child's work, "Italian or American?" The Second Generation in Conflict," in 1943. Teams of interview-

ers questioned 5,000 children of immigrants in the eighth and ninth grades, primarily in Miami and San Diego, on subjects like language use, discrimination and patriotism.

Predictably, the answers reflected significant differences between nationalities and between Miami, where Hispanic immigrants increasingly dominate the political and business life, and San Diego, where anti-immigrant sentiment is considered high and power remains largely with a white elite.

For instance, 45 percent of the Miami children reported experiencing discrimination, as against 64 percent in San Diego. And in Miami, the 45 percent broke down to 66 percent for Haitian-American children, but only 29 percent for the Cuban-Americans attending predominantly Cuban-American private schools.

"We'd go into a high school where most of the immigrant children were black, and ask if they'd ever encountered discrimination, and you'd hear this loud, 'Psh!' like, 'What a stupid question,'" said Lisandro Perez, a sociologist. "Then we'd go into a private Cuban school in Miami, and the concept of discrimination was so alien that students practically didn't understand the question."

Miguel Salval, for instance, a Cuban-

American, 14, said he had never experienced prejudice and firmly believed that everyone in America has the same opportunities regardless of race or ethnicity.

But, in the same city, Guilienne said she often encountered discrimination. "In America, they won't accept you for who you are," she said. "They look at the color of your skin, how you are dressed and how you look."

Although Miami is among the most bilingual cities in the country, 99 percent of the children interviewed here said they spoke English well or very well. And contrary to what many advocates of English-only and English-first laws might expect, 94 percent of the Cuban-American students said they preferred English to Spanish.

In San Diego, 90 percent of the immigrants' children said that they spoke English well, but 9 percent said they spoke it poorly. Among the latter especially were Mexican-Americans, with 14 percent saying they spoke English poorly, Vietnamese-Americans (19 percent) and Laotian-Americans (23 percent). About 65 percent of all children said they preferred English to their parents' native language.

Guilienne said she spoke Creole fluently but preferred "proper English."

WORLD BRIEFS

Israeli Undercover Units Accused

JERUSALEM (WP) — Israel's undercover military units have repeatedly killed Palestinian activists and fugitives without justification, according to a frequently violated human rights rule on opening fire at suspects, according to a study by the human-rights group Middle East Watch.

The report probed one of the most sensitive issues in the Israeli military's handling of the Palestinian uprising, or *intifada*. Undercover units, whose members often wear Arab garb during operations in the Israeli-occupied West Bank and Gaza Strip, came into wide use after the *intifada* evolved from its initial reliance on mass demonstrations to violent clashes between activist cells and Israeli soldiers.

The undercover squads were designed to quietly pursue what Israel has called the "hard core" of activists suspected of violence. According to the report, more than 120 Palestinians have been killed by the units since the start of the *intifada* in December 1987, and nearly half of the deaths have occurred since January 1992.

Demonstrations Spread in Nigeria

LAGOS (AP) — Lawyers boycotted courts and students skipped school to set up flaming barricades in the streets on Tuesday to protest General Ibrahim Babangida's annulment of elections aimed at restoring civilian rule.

A powerful labor group threatened to call a nationwide strike, a potentially huge show of support for the movement trying to force the military ruler to install as president the winner of the voided June 12 election.

In the northern town of Ibadan, thousands of students of all ages marched in the streets shouting "Babangida must go," and blocked roads with flaming piles of tires, witnesses said by telephone. There also were reports of small bands of students roaming the streets in Lagos, ordering people to stay home from work.

Vichy Collaborator Appears in Court

PARIS (AP) — Paul Touvier, a pro-Nazi militia leader in occupied France who will likely stand trial for crimes against humanity, appeared at a court hearing on Tuesday, dispelling rumors that he had fled overseas.

Rumors had abounded that Mr. Touvier, 78, fled the country after René Bouquet, chief of the Vichy regime's national police who was to face similar charges, was assassinated earlier this month. Mr. Touvier was the militia leader in Lyon in occupied France.

"I am the one who asked him to be here," said Mr. Touvier's attorney, Jacques Tremolet de Villers. "It was a media, not a judicial, reason so all of you would be certain Mr. Touvier is here and that he will show himself before justice even when the law does not require it." The hearing at a Versailles appeals court was to set a date to decide whether Mr. Touvier should be imprisoned or placed under a type of house arrest. The date was set for July 7.

Armenians Near Azerbaijani City

TARTAR, Azerbaijan (AP) — Armenian troops pushed toward the Azerbaijani city of Agdam on Tuesday after capturing all but a few villages in the disputed Nagorno-Karabakh region.

Both sides reported Armenian soldiers in the strip of land separating the two former Soviet republics and a continued Armenian advance on Agdam, which has been under shelling for days.

Azerbaijani forces, which until the weekend held Mardakert, their government's last foothold in Nagorno-Karabakh, were forced to flee nine miles (15 kilometers) north to this town in Azerbaijan. The Azerbaijani military commander in Agdam, Nadir Ismailov, appealed to all able-bodied men to resist the Armenian forces.

Nepal Parliament Faces Dissolution

KATMANDU, Nepal (Reuters) — Prime Minister Girija Koirala may seek the Parliament's dissolution after the police killed 11 anti-government protesters, governing Nepal Congress Party sources said on Tuesday. Officials said 50 opposition supporters had been injured.

Home Ministry officials said 250 people had been arrested since clashes broke out on Friday between activists of the opposition United Marxist Leninist Party and police over an opposition-sponsored strike. The opposition party is demanding a fresh probe into the death of their leader, Madan Bhandari, in a road accident on May 16, saying he was murdered. Mr. Koirala has refused an inquiry.

TRAVEL UPDATE

Warning Extended to Travel in U.S.

WASHINGTON (Reuters) — A worldwide travel advisory issued in response to expected "missile" after the U.S. missile strike on Baghdad applies even to travelers inside the United States, the State Department said Tuesday.

A department spokesman said that "every American who's watched the news of the last couple of days" understands that there is a "very real threat posed by terrorist activities around the world." He added that "sometimes that danger crosses waters and comes here, home to the United States."

The State Department issued a worldwide advisory to U.S. citizens on Saturday, within hours of an American missile attack on Iraq's intelligence headquarters in Baghdad. That advisory, unlike more typical department directives that apply only to certain countries, urged caution to American travelers all over the world this summer.

Tourists in Miami worried about finding their way around after a recent spate of attacks on visitors can now buy a color-coded map to show the worst crime neighborhoods. "If you know where the tourists are being heinously beaten and robbed, then as far as I am concerned, we have a responsibility to warn them," said David Arthur, who put the "Street-Wise" map together. (AP)

New meteorological codes going into effect worldwide, beginning at midnight GMT on Thursday, will provide more accuracy in weather forecasting and increase airline safety, according to the Geneva-based World Meteorological Organization. (Reuters)

Mayor's Arrest Jolts Japan Party Again

By David E. Sanger
New York Times Service

TOKYO — Just when Japan's governing party thought that its fortunes could not take another turn for the worse, the prosecutor arrested on Tuesday and charged with accepting more than \$900,000 in bribes in return for fixing a series of government contracts.

The arrests appear to stem from evidence uncovered by prosecutors preparing a tax evasion case against Shin Kanemaru, the fallen kingmaker of the ruling Liberal Democratic Party, who goes on trial next month.

After Japan's government fell June 18, the battered leaders of the ruling party scheduled a hotly contested election for the lower house of parliament for July 18, just days before the trial starts. The timing seemed intended to make sure that the election is over before voters here see new evidence of the scale of the party's influence-peddling activities.

But the party leaders, already bracing for a beating at the polls that will likely cause them to lose power for the first time in 38 years, were not counting on a string of new arrests.

On Tuesday morning the prosecutors, perhaps emboldened by their success against Mr. Kanemaru, arrested Toru Ishii, the mayor of the northern city of Sendai and until recently the head of the Japan's powerful Association of Mayors. He was charged with diverting huge public works projects to several construction firms in return for cash.

It was unclear whether he is accused of using money for his political organization or for personal gain.

Several Japanese newspapers speculated that the arrests were only the first of many to come in the next few weeks. And while Mr. Ishii was supported in the last election by both the Liberal Democrats and several opposition parties, he is a former official of the Home Affairs Ministry and likely to be considered by voters as a member of the old party establishment.

Also arrested in a sweep through Tokyo companies on Tuesday were the chairman and the president of Hazama Corp., one of Japan's largest general contractors. Prosecutors said that the executives, Shigeru

Honda and Akira Kagami, organized payments of 100 million yen (\$940,000) to the mayor. The payments were shared, the prosecutors said, by Shimizu Corp., which is Japan's largest general contractor, Nishimatsu Construction Co. and Mitsui Construction Corp.

In an interview broadcast on Japanese television just before his arrest, Mr. Ishii said that all of the charges were groundless. But executives of several of the construction companies — which have vowed many times in past years that they would give up their long-time practice of paying off politicians — offered apologies and several said once again that they would "refrain" from making large illegal payments.

The arrests on Tuesday seemed to reaffirm the complaints of many foreign construction companies, particularly American ones, that the construction market here is closed to them.

The Japanese companies work so closely with Japanese politicians that many critical contracts are often allocated to construction companies long before the first public announcements of the opening of bidding. In a process known as *dango*, the companies meet in secret to divide up the contracts, with one company taking the lead role and others agreeing to be subcontractors. Because their "bids" are carefully coordinated, none of the firms drive each other's profits down by actually competing with each other.

Mr. Kanemaru was long considered to be a master of diverting projects to certain companies in the industry. Investigators believe much of the \$50 million or so found in his offices and home came from construction companies.

According to tax office surveys, between 1989 and 1991 about \$1 billion has been declared "missing" from the coffers of construction companies. Most of that amount is believed to have been donated to politicians.

Ruling Party Slips in Poll
A poll published Tuesday showed that fewer than 3 in 10 Japanese support the governing Liberal Democratic Party and fewer than 6 percent back beleaguered Prime Minister Kiichi Miyazawa, Reuters reported from Tokyo.

The survey, by the business daily Nihon Keizai Shimbun, showed that 8.5 percent of some 1,800 respondents backed the Renaissance Party, a center-right group founded last week by defectors from the Liberal Democrats.

Support for the Liberal Democrats plunged to 28.6 percent from 43 percent in the last Nihon Keizai poll conducted just two weeks ago.



AFRICAN SUMMIT — Yasser Arafat, left, the chairman of the Palestine Liberation Organization, conferring Tuesday with Nelson Mandela in Cairo. They met with heads of state at the Organization of African Unity on the group's 30th anniversary.

Mandela and de Klerk Share a Mission

By Bill Keller
New York Times Service

JOHANNESBURG — Nelson Mandela's itinerary looks like, and is, a campaign tour: New York to Los Angeles, David Brinkley and "Good Morning America," fund-raising dinners and photo ops galore.

Frederik W. de Klerk's resembles, and is, the visit of a lame-duck foreign leader. He will spend low-profile time with policymakers.

Except for a couple of poses with President Bill Clinton, one at the White House and one when they came together on July 4 in Philadelphia to accept their joint award of the Liberty Medal, the two men plan to keep their distance. When asked, they will speak of each other more as rivals than as partners.

All the same, the two South Africans arrive in America this week on a common mission: to reopen the economic spigots rusted shut by years of sanctions.

In their separate ways, they will be trying to persuade American business and the U.S. government that South Africa is more stable than it looks, that the course to democracy is inescapable.

While he has their attention, Mr. Mandela will also be soliciting cash, volunteers, and technology to help his African National Congress wage an election campaign against Mr. de Klerk's National Party.

The remaining international sanctions against South Africa, but whether he will do so is now uncertain.

The ANC has said it will bestow its official blessing on foreign investment only when an election date is firm and when a multiparty transitional committee has been created.

The election date, April 27, is due to be ratified Friday. The transitional arrangements are not likely to be in place before August, although a senior ANC official said it might be enough for Mr. Mandela if "the process is in motion."

Relations between the government and the ANC were strained again last Friday when white separatists smashed their way into the constitutional talks and occupied the building for two hours.

Mr. de Klerk was as much a target of the far-right hatred as Mr. Mandela, but the attack — and especially the government's decision not to risk arresting the armed invaders on the spot — have churged up a new cloud of suspicion that could make it difficult for Mr. Mandela to call off sanctions.

By Monday night, the police said they had arrested 21 of the several hundred invaders, but not any of their leaders.

Former President George Bush ended federal sanctions against investment in South Africa, but many American states and cities still refuse contracts to companies that invest in South Africa. South Africa is still denied loans from the World Bank and International Monetary Fund.

ANC officials say that Mr. Mandela desperately wants to welcome American business and world leaders back; knowing a surge of investment will make it easier for the next government to deliver on promises of jobs, housing, and schools.

"Internationally, we are losing opportunities," said Patrick (Terror) Lekota, a member of the ANC's governing board. "We see capital flowing to Eastern Europe that could be coming to us."

Mr. Mandela was to arrive in New York on Tuesday from Cairo. Beginning with a Wednesday breakfast with Mayor David N. Dinkins, he is off and barnstorming for two weeks: Washington, Philadelphia, New York again, Chicago, Los Angeles, Indianapolis, and Atlanta.

He will put the touch on New York financiers, Hollywood moguls, black businessmen, churches, and trade unions.

Mr. Lekota, who oversees the ANC's election campaign, said he hopes the trip will generate donations of car telephones, computers, fax machines, mobile video equipment, and about \$20 million in cash pledges, as well as advice on polling and fund-raising and possibly lists of eager university students interested in working as campaign volunteers.

"We are looking on the trip of the president as the last trip to the U.S. before the election," he said. "We are targeting all sectors of the American society."

Court Ruling Shakes Effort to Bolster Black Representation

By Peter Applebome
New York Times Service

ATLANTA — A Supreme Court ruling that raises doubts about the constitutionality of a black majority congressional district in North Carolina could generate challenges to new minority congressional districts across the South and in urban states like Illinois and New York, legal experts say.

But experts are divided about whether the ruling is likely to affect anything beyond the most unorthodox efforts at redistricting along racial lines.

In the North Carolina case, a lawsuit challenged the 160-mile-long, worm-like district that twists along Interstate 85 linking black voters from Durham to Charlotte in one of the state's two new districts with black majorities. The lawsuit contended that the district unconstitutionally violated white voters' rights to equal protection under law.

A sharply divided court agreed on Monday, ruling, 5 to 4, that designing legislative districts to in-

crease black representation can violate the constitutional rights of white voters.

The district, North Carolina's 12th Congressional District, represented by Melvin Watt, gained extensive attention as perhaps the nation's most geographically scattered effort to ensure black representation.

Melvin Shimm, a Duke University Law School professor who was among five white North Carolina voters who sued over the district, said he believed that Monday's ruling, which said court scrutiny was due only the most "bizarre" districts, did not question the role race can play in districting, but only the excesses in North Carolina.

"I don't think this case stands for the proposition that race is irrelevant," he said. "It's just where it's given a disproportionate, or in this case, an almost exclusive role in the drawing of the district lines, that it's prohibited."

But voting rights lawyers said the ruling's vague language, as well as its challenging a plan approved by the Bush administration's Justice Department, represented a threat to minority districts, particularly new districts that produced a historic increase in minority representation this year.

"It's a bad decision from the point of view of racial minorities," said Langhlin McDonald, executive director of the southern regional office of the American Civil Liberties Union. "It really is quite reactionary in that it throws into question, I think, all the progress that's been made after the '90 census, and the '80 census and the '70 census."

The Supreme Court ordered a U.S. District Court to review North Carolina's redistricting, which included two sprawling black districts in a state that is 22 percent black but previously had no black representatives. Political analysts say blacks are scattered in a way that makes a compact minority district extremely difficult.

Those who brought the suit specifically challenged the 12th District, which snatches up black voters for 170 miles in a pencil-thin sprawl that led one candidate, Mickey Michaux to say, "I love the district because I can drive down I-85 with both car doors open and hit every person in the district."

The 12th may be the most elongated district of its kind, but legislatures across the nation have drawn up unusually shaped districts, often to both increase the representation of minorities and protect incumbents in adjacent areas.

Many of the elongated districts are in the South, including ones in Florida, Louisiana, Texas and Georgia.

Critics of the Supreme Court's ruling Monday said it ignored the

mandates of the federal Voting Rights Act and left vague what a district should look like.

Scientific Testimony
The Supreme Court has relaxed the standards for admission of scientific testimony at trials and reinstated a birth-defect case brought by two mothers who had taken the anti-nausea drug Bendectin during pregnancy. The Washington Post reported.

The unanimous ruling gives federal judges more discretion over what testimony is allowed at trial and is likely to mean that expert reports from evolving techniques, such as DNA "fingerprinting," can be presented to a jury.

The political satirist P. J. O'Rourke has reread his 1987 book, "The Bachelor Home Companion: A Practical Guide to Keeping House Like a Fig." Excerpts:

• Refinishing floors is nonsense. Floors are either finished or they aren't. If you can see into the basement, the floor isn't finished.

• Bed-making: Just keep tucking in the end parts of things until their middle parts get smoothed out and flat.

• Decorating with alcohol: (1) Start with an empty room and take a big drink. (2) See, it looks better already. Take another drink. (3) Drink a bunch more. (4) Hey, this place looks great, damnit! Know what I mean? This is a great-looking place. Looks great.

Arthur Higbee

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AMERICAN TOPICS
Bid to Ship Canadian Water To U.S. Hits Wave of Protest

Two businessmen, William Clancy, a Canadian, and Gerald Shupe, an American, want to take some of the abundant water in the Canadian province of British Columbia and sell it to California and other perennially water-short American states. Water, they point out, often runs uselessly out to sea.

The two would divert water from the North Thompson River in British Columbia through a 12-mile (19-kilometer) tun-

nel to the Columbia River system. They would send it down the Columbia to a point in Oregon, then by pipeline to Northern California. They say this would cost \$5 billion.

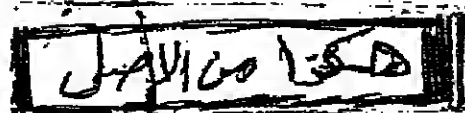
Not surprisingly, a lot of people disagree, starting with the Canadian federal and provincial governments, environmentalists, Indians and many citizens of both countries. There are two schools of thought: One, that water is a renewable resource and should be exploited. Two, that water is a precious gift, above commerce.

Short Takes

Former President George Bush has turned down the \$150,000-a-year stipend from the Republican Party that Ronald Reagan has been getting since he left the

White House in 1989. Mr. Reagan makes occasional appearances for the party; a Republican spokesman said the taxpayers, who pay his pension, shouldn't have to pay for his political activities. Mr. Bush has neither requested nor been invited to do much for the party since leaving office. No other former president — Gerald R. Ford, Richard M. Nixon or Jimmy Carter — receives a party salary.

A judge in a Seattle small-claims court rejected a lawsuit by Alfred J. Desikiewicz, Jr., 51, a design engineer, to recover the \$1,153.54 he spent for treatments to quit smoking. The judge said the three-year statute of limitations had expired, since the complainant had first tried to quit in 1971. Mr. Desikiewicz asked to recover the expense of nicotine patches, doctor's visits and a health club membership.



STATESIDE / LIVERS, KIDNEYS - AND TAXES

★ POLITICAL NOTES ★

Funding for Space Station Clears the House

WASHINGTON — The House of Representatives gave final approval to a spending bill that includes \$2.1 billion to finance the space station after beating back the second attempt in a week to kill the project.

The overall spending bill containing the appropriation for the project was approved by a vote of 313 to 110 and sent to the Senate, where the space station has more support.

Earlier, the House voted, 220 to 196, to keep the \$2.1 billion next year for the project. The key vote came just a week after House opponents who ridiculed the expense and scientific value of the project missed scuttling it by a one-vote margin.

The margin of approval was more comfortable for supporters of the space station, who capitalized on the absence of about 20 lawmakers who had not returned from a weekend at home. A majority of the missing voted against the project last week. (AP)

Endowment for the Arts Survives a Challenge

WASHINGTON — A House committee voted Tuesday to keep the National Endowment for the Arts alive for two more years, fending off an effort to abolish the agency.

The Education and Labor Committee's action also reauthorizes the National Endowment for the Humanities and the Institute for Museum Services for two more years.

On a 37-to-3 vote, the panel defeated an amendment by Richard K. Arney, Republican of Texas, to abolish all three agencies and their umbrella agency, the National Foundation for the Arts and Humanities. Mr. Arney said the \$350 million for the programs would be better spent on Head Start, the preschool education program.

"The government should not be in the business of authenticating art and literature," he said.

The Endowment for the Arts has been a favorite target in recent years of conservative groups that claimed it was financing obscene works of art with taxpayer dollars. (AP)

Metzenbaum to Retire at End of Senate Term

WASHINGTON — Howard M. Metzenbaum said Tuesday that he would not seek re-election next year, announcing an end to a two-decade career as one of the Senate's most liberal and outspoken members.

"My regrets are few, my memories are treasured, my health is great and my love for the cause now is undiminished," the three-term Ohio Democrat said in a speech from the Senate floor.

"I have voted my conscience, spoken my mind and fought on the side I believed to be right," he declared.

The decision had been widely expected. Mr. Metzenbaum disavowed his campaign committee in 1990.

Mr. Metzenbaum, 76, said he wanted to spend more time with his wife, Shirley, and their family. (AP)

Presidential Dinner Raises Cash the Old Way

WASHINGTON — By the way many of the guests ducked their heads and scampered out of camera range, you would have thought it was a Mafia funeral, not the Democratic National Committee's \$1,500-a-plate Presidential Dinner.

Unlike at its Republican counterpart, the President's Dinner, the press was banned, except to hear President Bill Clinton say something pleasant. As it happened, Mr. Clinton did not speak until after 11 P.M., by which time at least a simple majority of the crowd had departed.

The dinner raised \$4.2 million the old-fashioned way — one that would be largely illegal if Mr. Clinton's bill to revise campaign financing ever becomes law — with lobbyist and corporate donations. (WP)

Quote/Unquote

President Clinton, speaking to a group of small-business leaders: "I'm one of these people. I get up at 6 every morning and then I wake up about 10:30, so if I say anything I shouldn't today, I'll have total dementia since it's 9:15." (AP)

Away From Politics

● Unsettled weather scuttled Endeavour's scheduled landing, keeping the space shuttle and its crew of six in orbit an extra day. Two landings were missed up at the Kennedy Space Center in Cape Canaveral, Florida, first because of low clouds and second because of the possibility of storms. Endeavour will now aim for a landing at 7:59 A.M. Wednesday.

● A senior air force general denied allegations that Defense Department officials deliberately concealed the B-1B bomber's vulnerability to radar detection in 1989. "It is not our style to deceive the Congress," General John Loh, head of the Air Combat Command, told a Senate Armed Services panel.

● Retired General H. Norman Schwarzkopf says he emerged from two combat tours in Vietnam blaming the news media for the U.S. defeat there, but eventually concluded that it was the result of "a bankrupt strategy" on the part of American leaders. "I don't think any of us could ever say the press lost the war," he said during a return visit to Indochina, the subject of a "CBS Reports" documentary to be broadcast on Wednesday.

● Rising floodwaters along the Mississippi brought out National Guardsmen and volunteers to pile sandbags to hold back waters that have killed at least one person and stopped commercial traffic along a 500-mile (800-kilometer) stretch. States of emergency were declared in parts of Wisconsin, and disaster areas were declared in Iowa. Forecasts of more rain raised fears of further flooding.

● Authorities ruled out foul play in the explosion and fire that gutted the Palm Beach, Florida, mansion owned by King Hussein of Jordan, but the cause was still under investigation. The property records show that the home is owned by the Kimberly-Clark heir James H. Kimberly. But during his divorce proceedings in 1985, Mr. Kimberly said he was holding the house in trust for King Hussein.

● The New Jersey Senate approved a "retaliatory" bill that would assess taxes on New Yorkers who work in New Jersey by the same formula New York uses to tax workers who commute from New Jersey. The income-tax bill now goes to Governor Jim Florio, who has indicated he will sign it. The commuter tax is expected to bring in \$27 million a year and will affect about 100,000 New Yorkers.

● Backing away from several well-controlled plans that sparked an international outcry last winter, the Alaska Board of Game has legalized an aircraft-assisted wolf-hunting technique outlawed in 1991. Under the plan, hunters will be allowed to spot the wolves from the air and then shoot them on the ground only if the hunters land their planes at least 300 feet (100 meters) away from the animals. Animal rights and environmental activists, however, said they were outraged by the decision. (AP, NYT, Reuters)



Mary Fisher, a member of the National Commission on AIDS, caught the virus from her husband, who died last week. She urged the administration to speak for those "whose voices have been silenced."

Rules Eased on AIDS Benefits

Up to 10,000 More May Qualify Under New Standards

By Robert Pear
New York Times Service

WASHINGTON — Reversing a decade of more restrictive policy, the Clinton administration issued new rules on Tuesday to make it easier for people infected with the AIDS virus to get U.S. disability benefits.

The rules, distributed to Social Security offices across the country on Tuesday, came partly in response to a lawsuit filed three years ago by 19 New York State residents. The suit is pending.

The plaintiffs, who are pursuing class-action status to bring the suit on behalf of thousands of people, complained that they had been improperly denied benefits even though they were unable to work because of illnesses related to the virus.

Health and Human Services Secretary Donna E. Shalala and her assistants, including several from New York, have been much more sympathetic to these complaints than were Bush administration officials.

Under the new rules, many people denied benefits in the past will be able to qualify automatically. Advocates for people with HIV estimate that 10,000 additional people may qualify under the new standards. More than 55,000 people with HIV infection now receive monthly cash benefits, at a cost of more than \$300 million a year.

The new criteria for evaluating HIV infection recognize many conditions specific to women, like pelvic inflammatory disease and cervical cancer. In addition, under the rules, people infected with the AIDS virus will be presumed to qualify for benefits if they are found to have serious infections like bacterial pneumonia and tuberculosis.

There is also a new catchall category for people who

show "repeated manifestations of HIV infection" combined with a marked restriction in routine activities of daily living or difficulties in completing work in a timely manner because of inability to concentrate on a specific task.

Theresa M. McGovern, a lawyer with the HIV Law Project in New York, said the new rules were a vast improvement over standards used in the Reagan and Bush administrations to decide whether people qualified for disability benefits under the Social Security and Supplemental Security Income programs.

Under the old rules, issued in December 1991, the medical evaluation was often coupled with a stringent test of a person's ability to function, including the ability to perform household chores, grooming and other daily activities.

People with AIDS said this test went beyond the statutory definition of disability — the inability to perform a job — and virtually required people to have the same type of impairments as nursing home residents.

■ National AIDS Plan Urged

After four years of work, the National Commission on AIDS has issued a final report that repeats its plea for the government to write a national plan to combat the epidemic. The New York Times reported.

The commissioners said Monday that they hoped the Clinton administration would do better than earlier administrations in handling the epidemic, and they applauded the appointment of Kristine M. Gröble as the White House AIDS coordinator.

But the report says, "To date, no opportunity has yet been found to discuss recommendations set to President Clinton upon his taking office."

Bombing Indictment Seen for Kahane Assailant

NEW YORK — Sayyid A. Nosair, a Muslim fundamentalist and assassin in the 1990 killing in New York of the Israeli rabbi, Meir Kahane, will soon be indicted for helping to plan the World Trade Center bombing, sources said Tuesday.

"It's safe to say that Nosair's indictment is no more than a few weeks away, maybe even less than that," a senior investigator said.

Another police source said Mr. Nosair would almost certainly be charged with conspiracy in the unfolding investigation against a group of Muslim fundamentalists.

"It's going to happen someday soon," the official said. "There's no doubt about it. He is involved up to his neck."

Mr. Nosair is serving a seven-to-22-year sentence for gun possession and assault in the 1990 killing in New York of the Israeli rabbi. He was acquitted of Mr. Kahane's murder in the 1991 trial.

Investigators believe Mr. Nosair helped plan the Feb. 26 bombing of the Trade Center, although he was in prison.

They have also linked him to the alleged plot to blow up the United Nations, two road tunnels and federal offices in New York. Eight people were arrested last Thursday in that case.

Mr. Nosair himself said in May

that he expected to be indicted in the World Trade Center bombing.

Investigators have also said they are targeting Sheikh Omar Abdel Rahman, an Egyptian living in New Jersey who is the spiritual leader of 12 of the 14 suspects connected to both cases.

Local television reported Sunday that tape recordings of him have the sheikh saying that "American blood should be spilled on its own soil."

Investigators said over the weekend that they did not have enough information to charge the cleric.

Prosecutors said Tuesday that the fundamentalists arrested last Thursday also discussed planting a bomb in Manhattan's diamond district, where many Jews own businesses.

An assistant U.S. attorney, Lev Dassin, revealed during a detention hearing that one of the defendants, Amir Abdelgani, had been taped in a car in which two alleged co-conspirators discussed planting the bomb in the diamond district.

"This is the heart of Israel here in New York," Mr. Dassin, said quoting one conspirator. "Boom, broken windows, Jews in the streets," he quoted another.

'Miscellaneous Tax Proposals'

Some Long-Shot Ideas to Pacify Constituents

By Albert B. Crenshaw
Washington Post Service

WASHINGTON — Here's an idea that's under consideration in Congress: Require the Internal Revenue Service to include organ-donor information cards with all the tax refunds it sends out.

It has a certain logic to it. The agency is known for wanting an arm and a leg, so why shouldn't it tell you where to send your liver, kidneys and corneas?

Another idea before the legislators would allow spaceports — yes, spaceports — to issue tax-exempt bonds.

Still another would let "wine spirits" made from whey, tomatoes and other agricultural products be used in things such as wine coolers.

What's just on here? Nothing unusual — just some members of Congress trying to help out their troubled constituents. These ideas are all proposals before a panel of the House Ways and Means Committee.

Although the giant budget package passed Friday by the Senate gets most of the headlines, the business of revising and extending the world's most complex tax code is continuing apace on Capitol Hill.

The Ways and Means panel last week wrapped up three days of hearings on a hefty bundle of "miscellaneous tax proposals" dealing with everything from pension rights in states that have community-property laws to taxes on certain syringes and intravenous systems.

The package, so thick that it required 46 pages for the Treasury Department merely to say yes, no or maybe about whether it would support each provision, illustrates why "Gruen Grinch" — the halls around the Ways and Means Committee hearing room in the Longworth Building — will never stand empty of lobbyists.

The Treasury has created a four-level rating system that reminds some observers of a restaurant review — two smiles, one smile, two frowns, one frown. (Simple support and oppose "do not deal with the gratuities" the Treasury wished to express, Assistant Secretary Leslie B. Samuels said.)

These bills would solve many of the nation's economic problems if enacted, judging from the testimony on their behalf.

Not only would they produce jobs, enhance U.S. competitiveness and reduce dependence on foreign energy sources, they would preserve open space, simplify estate planning, produce more and better housing, preserve family-owned businesses and enhance capital formation.

There's the "Qualified Football Coaches Plan Technical Corrections Act of 1993," for example. (It would rescue a pension plan operated by the American Football Coaches Association.)

Others may seem mind-bogglingly dull. "Tax Treatment of Financial Asset Securitization Investment Trusts," for example. (This bill would make it easier to pool receivables such as credit-card debt.)

● Give special estate-tax treatment to family-owned media businesses (including, ahem, newspapers).

● Ease tax-exempt bond rules for Stanford University and Kenosha, Wisconsin.

● Make it easier for bakery-truck drivers to be independent contractors instead of employees.

Every one has a loyal cadre of backers, and while most will not become law, those that do can sometimes mean millions, even billions, of dollars to industries, companies and communities affected by them — and a corresponding loss of millions or billions to the government.

The members offer the bills "because somebody asks them to — somebody they'd like to do a favor for," said Robert S. McIntyre of Citizens for Tax Justice.

"The law has been changing awfully fast," a staff member said, "so you'd expect that some of the changes would create problems." The hearings "help separate the real ones from the special pleading."

and car loans and sell securities based on them.

Still others would:

● Give favorable treatment to platinum fabricated into items used in a trade or business.

● Allow faster depreciation of helicopters used in timber management.

● Allow taxpayers to deduct state and local sewer and water fees.

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Further details of the aircraft may be obtained from Director of Engineering, Indian Airlines, Headquarters, New Delhi.

The aircraft are available for inspection at Palam Airport, New Delhi by prior appointment with Director of Engineering, Indian Airlines.

Offers are to be submitted latest by 22nd July 1993 to Director of Finance, Indian Airlines, Airlines House, 113, Gurugara Rakabganj Road, New Delhi (India).

The details for contact:

	Director of Engineering (M.L. CHOPRA)	Director, Finance (R.N. SAXENA)
TELEX	031-66110	031-66110
SITA	DELEZC	DELAZC
FAX	011-3711730	011-3711730
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The aircraft would be delivered in 'as is where is' condition.

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THE REPORT

every Saturday in the HT.

Corporate Gurus Long on Solutions

Corporate America's favorite guru is Michael E. Porter, a Harvard Business School professor who can command audiences of chief executives at \$25,000 a pop with a rallying cry to get Wall Street off the back of business so it can lift its quarterly profit horizons to the long term.

Spinning off businesses, slashing costs, and laying off workers is only the first step, he says. "When a company goes through a restructuring, everything is focused on the short term. It's all cut, cut, cut. The problem in rebuilding competitive advantage is to create a completely different mentality in the organization. Fundamentally, you've got to go from a cutting and efficiency mode to an investing mode. It's just as hard to get people to believe they can really spend money as it is to come up with the ideas to spend it on."

Clint surveys showing that big American companies consider only 21 percent of their investments as long-term (defined as no payoff for five years) compared with 47 percent in Japan and 61 percent in Europe, he wants to install an Americanized version of their systems to bring investors, lenders, and even suppliers on the board.

The Clinton administration's in-house economic guru isn't an economist at all but a Napoleon-sized intellectual dynamo named Robert Reich, now secretary of labor. Mr. Reich has long argued that the big money no longer is in metal-bending but in what he calls the "symbol economy" of brainpower and technical skill.

"Our nation's future economic success depends on our unique attributes — the skills and insights of our work force, and how well we link those skills and insights to the world economy," he says. "Increasingly, educated brainpower — along with roads, airports, computers, and fiber-optic cables connecting it up — determines a nation's standard of living."

Michael Spindler, a German who was recently named chief executive of Apple Computer Inc., is one of the leaders of the global digital revolution that is changing the way people work. The innovative ideas that will feed a \$3 billion to \$4 billion information technology market in the year 2000 include color imaging, miniaturization, wire-

SEITZ: Crying in the Industrial Wilderness, a Prophet Adjures Europe to Restructure or Face Economic Ruin

Continued from Page 1 "But that the potato chips don't have the same future as computer chips should be obvious." In his 1990 book, "The Japanese-American Challenge," Mr. Seitz argued that competition in the high-tech, high-value-added industries of the future demands a different psychological and institutional engagement than laissez-faire government. Research and development costs are enormously high and planning periods longer, he noted, citing France's support for Airbus in the 1980s as the only reason Europe has an independent aerospace industry today.

In addition, international trade has become a race among countries and regional trading blocs to develop new technologies first, because the cost to would-be competitors of copying products and then trying to conquer the market is prohibitive, he said. Since he wrote his book, the situation has become "dramatically worse." "If we look at our present problem as a cost crisis we underestimate the gravity of the situation," Mr. Seitz said. "It is most of the high-tech industries of the future — information technology, genetic engineering and new materials, for example — that are not only practically not present, but what presence we have is shrinking."

At the same time, Germany's and Europe's traditional industrial base in chemicals, automobiles, textiles and industrial automation is crumbling, pushing the continent toward an inevitable confrontation with even-higher unemployment that will linger longer than before. Even if governments began

spending massively on high technologies today, there is no guarantee the use of money would be from hitting, but there is a chance its devastation can be reversed, Mr. Seitz argues. He cites heavy state subsidies to coal and steel producers, shipbuilders and farmers in Western Germany and the economic miracle process in Eastern Germany as examples of industrial policy gone wrong. Eastern Germany is getting "more classical industries" in its most modern incarnation, but it is in the way of high-tech production, he said.

While Mr. Seitz's ideas apply to Europe as a whole, experts say many of the problems he described, especially an antipathy toward certain kinds of innovation, are particularly relevant to Germany. "It's safe to say, unfortunately, that Germany isn't very receptive to a lot of new technologies," said Edmund Hug, chief operating officer of IBM Deutschland Information Systems. "Innovation is the best way out of the crisis," he opened, but said Germans lack the "open-arm acceptance" of new technologies that characterizes Japan and the United States.

"The French are much more fascinated by technology than Germans," he added, saying he was sure that practical applications of high-tech virtual reality, such as showcasing furniture by having a stimulated customer would be used elsewhere long before it comes here. Classic examples of German technology that has stumbled on its antipathy toward innovation, said Hug, include trains and genetic engineering. Hoechst AG, Germany's biggest chemicals and pharmaceuticals group, has been producing genetically altered hu-

man insulin in the United States since 1983 and selling it in Germany since 1983, but is still fighting for approval to make it here. The delay has cost Hoechst between 500 million Deutsche Marks (\$294 million) and 1 billion DM in sales over the last five years, according to Dieter Brauer, a company official. "Americans sometimes say a product carries a risk, while Germans say the entire production process is a risk," Mr. Seitz complained. "With this philosophy we're returning to the economy of hunters and gatherers."

Speed, or lack thereof, is becoming a significant handicap to German industries losing the battle to adapt to market demands as fast as they change. Unfortunately, Mr. Seitz said, "Germans are more thorough than fast." Despite Europe's slide into high-

tech irrelevance, Mr. Seitz refuses to believe the continent's leaders will continue to ignore the dangers he describes. He recently called on Germany to establish a "technology council" patterned after the country's council of economic advisers. "Our current strengths — industrial automation, automotive technology, etc. — are a good springboard for specialization in the technologies of the future," he said. "We just need to move people from one kind of industry to another."

Comparing Germany to the United States in the mid-1980s, he said he was satisfied the change would "sink in" here, too. "I'm sure we'll get the same breakthrough. It's just a question of when."

"Germans' only problem is in the new industries," he said. "And that problem can be resolved in the moment when people start looking at it differently."

Rome Applies Pressure For a Labor Agreement

ROME — The government on Tuesday stepped up pressure on employers and unions to sign a labor pact quickly, saying international markets were waiting for a signal that Italy meant business and deserved confidence. Prime Minister Carlo Azeglio Ciampi, who needs the pact to ensure that wage agreements do not fuel inflation once the economy reboots, said he hoped the final phase of negotiations could begin on Wednesday.

"The agreement is at an advanced stage," Mr. Ciampi told a congress of the CISL labor confederation. "There are still important obstacles. I do not believe they are insurmountable." The confederation is one of the three union groups taking part in

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A UN Revision Is Due

The United Nations, freed from paralyzing Cold War vetoes, has begun to assume the global interventionist mission its founders had in mind. That is encouraging, with one caveat. The appointment of seats in the Security Council — where questions of intervention are decided — is outdated. It reflects a snapshot of world power in 1945, not the reality of 1993. Without reasonable reapportionment, the legitimacy of future UN actions could be called into question. Secretary-General Butros Butros Ghali has asked member states to submit their ideas on Security Council reapportionment this month. At a minimum, the Security Council should be expanded to allocate permanent seats to Japan and Germany. Further changes will be needed to maintain a fair balance between rich and poor countries without unworlthy expanding membership or proliferating vetoes. History explains why Germany and Japan were not included from the start. The words "United Nations" originally referred to the victorious Allied coalition in World War II. Those Allies became founding members of the new global organization. The Security Council, designed to enforce the hard-won peace, was set up with five permanent, veto-wielding seats for the leaders of that coalition — the United States, Britain, China, France and the Soviet Union — along with six rotating seats for other members. Four new rotating seats were added in 1965. Britain and France are no longer the world powers they once were, while Germany and Japan have rehabilitated their reputations and rebuilt their economic strength. Scores of new countries, many of them former British and French colonies, have won independence and joined the United Nations. And the world body has emerged from Cold War paralysis to venture into new areas of peacekeeping, including humanitarian interventions into sovereign states.

Russia Needs Partners

For the Russian economy, the transition to private control is crucial to all the other reforms. President Bill Clinton is entirely right to make American support for it a high priority in his foreign policy. He is trying to pull together an international fund to help the Russians move toward private ownership, but he is not getting much help from the other rich countries. The Japanese foreign minister, who last week called the concept of a \$4 billion fund "preposterous," is reported to have had second thoughts. That is fortunate, for his original view was shortsighted. There is no country that would profit more than Japan from a growing Russian market. But the fund, or at least the first phase of it, has been scaled back to something like \$2 billion — of which three-fourths would come from such international lending institutions as the World Bank. The Europeans are hardly less reluctant than the Japanese, and the richest of them, the Germans, can point to the large amounts they have pledged for other kinds of aid. Before the transition to private management can go very far, the Russians themselves are going to have to make some fundamental political decisions, such as establishing a right of ownership and normal commercial processes in law. But just as effective use of aid requires Russian initiative, initiative needs the support of aid — now. Aid money from the United States would probably be used mainly to supply how-to-do-it advice — how to retrain labor, how to manage companies, how to modernize factories and make them run more efficiently. The transition to private ownership will also require other kinds of help, such as lending to new enterprises or even talking equity in them. But most of that will probably be left to the international institutions. This aid, according to its opponents, ought to be held up until the Russian economy has stabilized itself. But that is exactly the point. The immediate threat to stability is inflation, which stands at nearly 20 percent a month, caused mainly by the outpouring of government credit to state enterprises that are running huge losses. The government keeps supporting the enterprises because, reasonably enough, it dreads massive unemployment. The rise of private employment will largely set the speed at which the old state-owned failures are shut down. Foreign aid can make this process move faster, reducing the ominous possibility that it might break down. Nobody questions that. But if the United States does not take the lead, clearly no other country will assume the responsibility.

A Reply to Terrorists

Whoever did it, the terrorist bombing of Florence's Uffizi Gallery May 25 was the kind of act calculated to unsettle and demoralize. The huge car bomb shattered a wing of the beloved Florentine repository of some of the world's greatest paintings, and though miraculously (it destroyed only three paintings, it also helped shatter the notion that art masterpieces are somehow immune to political violence. Nevertheless, the intimidation failed. The partial reopening of the Uffizi after only 24 days was a firm answer to the terrorists, an act of national pride and unparalleled moxie by Italian and Florentine authorities. News of the attack brought an outpouring of support and of local volunteer efforts, including by many locals who worked around the clock to sift rubble for scraps of paper or canvas. The Uffizi's director, Annamaria Petrolini Tozzani, led a team in shifting the undamaged masterpieces to the building's more secure areas, and museum staffers bandaged the damaged works and even collected flakes of dislodged paint from below canvases shaken to pieces by the blast. Italian and European Community authorities offered emergency funds, and helped offer by various experts in the United States is being coordinated by the Italian Embassy. A tremendous amount remains to be done. The Italian government estimates that repairing the building will cost \$70 million. That does not include restoring the 33 damaged paintings and several statues, or some of the remaining and/or reprogramming the collection's archives (both paper and computer versions were largely destroyed) or, as is probably unavoidable now, covering all the paintings with sheets of bulletproof glass. (The introduction of glass over the most valuable paintings in recent years had drawn fierce objection from museum-goers, who said it interfered with the experience, but it was the glass that saved most of those masterpieces from being cut to pieces.) National pride aside, much of the pressure to reopen so swiftly came from the tourist industry of Florence. In recent years, as the Italian cultural authorities break under the financial burden of preserving so much art that gets such heavy wear, there have been murmurings and occasional published polemics suggesting that these major beneficiaries of the tourist flood should contribute more to upkeep of the culture that draws them. The Uffizi emergency moved a consortium of Italian designers, including Armani, to agree to donate 2 percent of their income to a rebuilding fund. If this relationship should ripen, something good may yet come out of this catastrophe.

Other Comment

Clinton Strides Boldly Ahead Bill Clinton's action [against Baghdad] was not only well justified but well timed. He can now go to the Big Seven summit meeting in Tokyo next week as a president still committed to collective action but unshackled by the demands of multilateralism when they result in impotence, as in the former Yugoslavia. This will be Mr. Clinton's first top-level group meeting with his allies, and it will be his chance to demonstrate that the United States is indeed the world's sole superpower. [Rising poll ratings] will stand Mr. Clinton on good stead in Tokyo as he deals with foreign leaders in far worse shape politically. They will also strengthen his hand as he tries to convert House and Senate approval of economic plans into a consensus measure that will be effective in restraining deficits and setting the stage for health-care reform. — *The Baltimore Sun*.

OPINION

For a Clear Policy on Iraq, Not Tied to One Man's Fate

By Anthony H. Cordesman

WASHINGTON — While the attack on the Baghdad headquarters of the Iraqi intelligence service is symbolically important, demonstrating that President Bill Clinton is prepared to use force — and to do so independently — a larger vision and further action is required. U.S. policy toward the Gulf has been in limbo since the 1991 cease-fire. It has been shaped by the hope that the limited use of force combined with the United Nations' sanctions and embargo will force Saddam Hussein from power. But it is by no means certain that this pressure can bring Saddam down. He could be felled tomorrow during internal struggles with his closest supporters or his senior military

with U.S. policy goals might take this form: • The Kurds. The United States evidently has quietly opposed a formal Kurdish autonomy agreement with the regime because it felt such an agreement would help Saddam stay in power. The United States should make it clear that while it does not support an independent Kurdish nation, it does insist on the kind of formal agreement on autonomy that protects the Kurds' legal and cultural rights, and their access to a fair share of Iraqi oil revenues, that Iraqi leaders have proposed for 25 years. The United States ought to work with Turkey and its other allies to develop guarantees of Kurdish autonomy in Iraq that are separate from the issue of Kurdish nationalism elsewhere in the Middle East. • Kuwait's security. Mr. Clinton needs to make it clear that there can be no new relationship and real easing of tension and UN sanctions without Saddam's formal agreement to Kuwait's sovereignty and Kuwait's new boundaries. An agreement signed only by Iraqi diplomats is meaningless, but the Algerians across the Iran-Iraq border in 1975 showed that Iraq's leadership could sometimes be forced to keep its word — for a while. • The Shiites in the south. The United States should accept the fact that a no-fly zone does not protect the Shiites in southern Iraq, who already are firmly under the control of Saddam's army and internal security forces. It should acknowledge that the 3,000- to 5,000-man rebel force is no more than an Iranian proxy and cannot overthrow Saddam. The administration should make it clear that

it would end the no-fly zone in exchange for formal Iraqi agreement to the new Kuwaiti border and recognition of Kuwait sovereignty. • Human rights. We have lost the battle to enforce the UN cease-fire agreements on human rights, except in the Kurdish security zone. The Iraqi Army, security forces and secret police are in control, and formal Iraqi agreements to preserve human rights will be symbolic at best. We need to shift to a policy exposing Iraq's abuses. That means expanding the State Department's human rights reporting and helping Amnesty International, Middle East Watch and the world's media by using U.S. intelligence to disclose every new human rights abuse and publicly name the Iraqi officials responsible. • Weapons of mass destruction. The United States should help the United Nations set realistic goals for what the UN Special Commission and International Atomic Energy Agency can actually accomplish in the next six to 12 months, and demand that Iraq meet those goals. It has to accept the grim fact that nothing the United States and UN can do can stop Iraq from eventually recovering its capability to use chemical and biological weapons, launch long-range missiles and exploit its nuclear weapons technology. The best we can do is to delay this recovery as long as possible. Washington should insist on a continuing international embargo, tightly enforced, on the transfer of technology and equipment that would enable Baghdad to acquire such weapons. • Reparations, war crimes trials and the economic embargo. The sweeping UN resolutions and terms of the cease-fire dealing with war crimes and reparations are unenforceable and do more damage to the Iraqi people than to Saddam. They are, however, powerful threats.

We should trade our agreement to moderate or abolish them for a formal Iraqi agreement to accept the arms embargo and inspected limits on weapons of mass destruction and to grant full recognition of Kuwait's sovereignty and new borders and Kurdish autonomy. • The regional coalition and regional security. The United States is in the Gulf to stay. Kuwait, Saudi Arabia and the other Gulf states can never defend themselves against Iraq and Iran without U.S. aid. Mr. Clinton needs to steadily reinforce existing arrangements with the southern Gulf states to keep air and naval power in the region. The United States needs at least one armored division's worth of equipment prepositioned on land or ships in the area, and rapid sea lift for at least one more heavy division based in the United States. In addition, America needs to be able to sustain at least two carrier task forces in the region for more than six months. • Iran. The United States must acknowledge that Iran is as dangerous as Iraq and avoid making any deal with one enemy to put pressure on another. As Bill Clinton has learned in dealing with Bosnia and the Arab-Israeli peace negotiations, no president can afford to focus exclusively like a laser on the economy. He needs to fully appreciate that his ability to manage a continuing foreign policy crisis, like the one in the Gulf, will be as important to his success as president as anything that he does with the economy. The writer, a professor of national security studies at Georgetown University, is author of "After the Storm: The Changing Military Balance in the Middle East." He contributed this comment to *The New York Times*.

Saddam could cling to office for years. Or he could be felled tomorrow, only to be replaced by an equally aggressive leader.

offices. Or he could last for years, responding to UN and U.S. pressures by forcing new sacrifices on his people, provoking new confrontations to arouse Iraqi nationalism and increasing the ruthlessness of his oppressive regime. U.S. policy cannot be based on hope and a wish of attrition or the fate of one man who may be replaced by an equally aggressive leader. It needs clear and achievable goals. This means Mr. Clinton must shift from a policy based on driving Saddam from power to one based on long-term containment that the United States and its allies in and outside the region, and the United Nations, can live

Now Clinton Must Explain The Real Terrorist Threat

By A. M. Rosenthal

NEW YORK — President Bill Clinton acted quickly, properly and in the interest of the United States by ordering the attack on Saddam Hussein's intelligence headquarters. Now comes the hard part. The president has to respect the intellect of Americans enough to explain to them, with all the clarity at his command, exactly what it is, this threat of terrorism at home and abroad, how it grew, what will be needed to deal with it. So far, no American president in the age of war by terrorism has done that. They have reacted to a terrorist attack, like hostage-taking, or failed to react to one, like the bombing of Pan Am 103. But after each action, or evasion, the presidents somehow stopped short of explaining how it all had come about. If there were a film of American policy on terrorism it would be like an old, grainy movie — a flurry, a blur, a break, a flurry. So now an American skyscraper can be shattered, an American plane can be destroyed, New York can come within days of slaughter, one American president can punish a death plot against another — and Americans do not know what the connections are. Perhaps too much was involved for the presidents to be candid — relations with Middle Eastern and other Muslim states and with American allies, commerce, the arms trade. Maybe it was too hard to state plainly how religious teachings can create death

and hatred. Maybe that is why terrorism lives and grows. The story begins decades ago. To spread or preserve their power, Middle Eastern countries provided arms, money and bases for various Muslim terrorist groups. Some killed mostly out of political hatreds — of their own governments, the West and Israel. For other terrorists, there is no real distinction between religious and political motivation. That is part of the meaning of Islamic fundamentalism. "All of Islam is politics," said the Ayatollah Khomeini. Some Muslim states that sponsored their favorite terrorists found themselves the target of fundamentalist terrorists and tried to pay them off. Some, like Iran and Sudan, were taken over by fundamentalism. Still others — like Saddam's Iraq, once denounced by fundamentalists — became their allies, bound by hate of the West. Most Muslims are not involved in fundamentalism or terrorism. That makes religious hatred essential to discuss without counter-hatred. But in the interest of Muslims and non-Muslims, it has to be said without equivocation: Around the world, millions of Muslims, fearful of the contagions of Western political, religious and sexual freedoms, support fundamentalist extremism. In the Middle East, the cause relies openly on terror to suppress all who oppose it — Muslim and non-Muslim. Abroad, fundamentalists are reminded by religious teachers of their



separateness, and the danger to Islam of the Satans among whom they live. The basic reality is that over the years the money, weapons and safe haven that made terrorism possible came from Middle Eastern Muslim governments — and still do. So, there are connections between the fundamentalist terrorism and the terrorism of Saddam Hussein, a man only lately come to Islamic piety. Both were created by the preaching of profound hatred — religious or political, or in union. Both are dependent on aid from other countries —

directly from Middle Eastern tyrannies or indirectly from the West and the former Soviet Union, which empowered those tyrannies with arms and technology. By themselves, both terroristisms might have withered. But with outside money and arms were created the Saddam Hussein, and men who mixed bombs in foreign cities. One day President Clinton will have to act again — not more widely against Iraq; Saddam is rebuilding arms factories and returns tanks and planes to service. Or, the United

States may no longer be able to avoid the evidence of terrorist support from Iran, Syria, Sudan or Libya. The president will need more than missiles. He will need the end of American and foreign arms sales to Middle East dictatorships. He will need a strong, expensive, anti-terrorist operation in the U.S. government. To get all that, he needs public understanding of exactly what has been going on — the full story of how the age of terrorism was created and how to end it. — *The New York Times*.

Broad Political Reform Just Might Free the Japanese Consumer

By Paul Blustein

TOKYO — Critics have argued that only a fundamental reform of Japanese politics could cure the trade problems between the United States and Japan. Now that theory may get a very practical test. Developments in Tokyo suggest that the nation is taking its first steps toward the most profound change since its postwar economic miracle began to unfold in the 1950s. The consequences for the United States could be nothing less than a solution to what has been its most nagging international economic problem. The June 18 vote of no confidence in Prime Minister Kiichi Miyazawa triggered a series of events that has finally brought Japan to the verge of becoming a genuine democracy, not just a pale imitation. More than 30 reform-minded members of parliament bolted the Liberal Democratic Party and created new center-right parties that, in coalition with others, appear likely to deprive the LDP of its parliamentary majority for the first time since 1955. Real

political competition may emerge, supplanting a one-party system in which elite bureaucrats run the government and elections revolve around money and mutual backscratching rather than issues of national interest. Would a truly democratic Japan become a different sort of economic animal, with different implications for the global trading system? The Japan Inc. that the world has come to know is a sort of perpetual-motion machine that generates trade surpluses year after year. This is no accident, for the system tilts in favor of producers of goods and services — industry, farmers, financial institutions — and against consumers. It is a system that is not designed to be replaced by a more reasonable balance and lead to a major improvement in Japan's economic ties with the world. Such changes will not be dramatic or quick. There is considerable doubt about the new parties' ability to form a workable parliamentary majority, overcome bureaucratic inertia and institute fundamental changes. And even if they achieve lightning victories, Japan is hardly about to become a consumers' paradise, much less an importers' paradise. In the short run, in fact, the impact

of economic policy will almost surely be negative, because no single political party will have complete control. The absence of any political power center means more clout for the bureaucracy. Indeed, some insiders here maintain that no electioneering party will ever make much headway in breaking the bureaucrats' grip on the machinery of government, because only the bureaucrats have the expertise in such crucial areas as drafting legislation. The Liberal Democrats' reign has rested on two main arguments. One is that only a conservative party with close ties to the United States could properly ensure Japan's protection during the Cold War. The other is a simple, long-run version of "It's the economy, stupid." With the nation united behind the aim of catching up with the West, there were few complaints about the policies of the bureaucrats whom the ruling party trusted to run the country. If the Trade Ministry protected an infant industry such as electronics or autos by keeping imports at bay, there were few complaints about the fact that prices were high. If the Finance Ministry kept interest rates on bank deposits low to ensure that Japanese industry could obtain cheap funds for building factories, there were few complaints about that, either. Neither did anybody seem to mind much if the authorities looked the

other way at cartel-type behavior in certain industries. But as the years went by, two things happened: First, the money-politics system produced an increasingly troublesome number of scandals. Second, more Japanese began to recognize that their living standards were not rising along with the overall economy. Accordingly, it is not surprising that when 44 former Liberal Democrats led by Mr. Hata banded together to form their Renaissance Party, their platform embraced political reform and consumerism. Most political observers here believe the odds favor the rebels' delivering political reform. If, as expected, the LDP loses its majority in the election scheduled for July 18, a coalition government of opposition parties presumably would be able to push through legislation aimed at reducing the electoral system's incentives for corruption. Still, it will probably be a long time before a government comes to power here on a genuine or consumerist platform that works at breaking a serious anti-trust policy or reform land-use laws to give urban dwellers a better shake at getting a decent-sized apartment. But at least the chance for fundamental change has come.

Better, Read the World Trade Rules

By Tomohiko Kobayashi

BRUSSELS — The old ghost of Bignephobia has returned. Roy Denman's opinion column "Now Read the Rules to Japan" (June 17) is full of distortions, clichés and inflammatory statements. Mr. Denman, former director general of external relations of the EC Commission, essentially claims that the Japanese work too hard for too little pay, avoid foreign products like the plague, ignore the rules of international trade and seek nothing but economic gain. According to Mr. Denman, the nations of the West must join together and force the Japanese to cease "unfair" trade practices. He claims that in Japan "there is a fundamental antipathy against buying foreign goods." Anyone who has walked through the fashionable districts of Tokyo knows how much Japanese consumers appreciate quality goods from abroad. On a per capita basis, Japanese consumers purchase \$1,910 worth of imported goods a year; for Europeans, the comparable figure is \$1,788. Japanese consumers' appetite for imports is supported by the country's extremely low tariff rates. And Japan is the world's largest net importer of farm products. Only constructive and unprejudiced

efforts can help forge a solution. Mr. Denman describes Article 23 of the General Agreement on Tariffs and Trade as a vehicle for nations to set retaliatory measures. That is simply not the case. Article 23 outlines procedures for nations to take in order to resolve their problems through orderly discussion. It does not, as Mr. Denman claims, justify the kind of approach that the Community attempted in the early 1980s of unilaterally increasing tariffs on imports from Japan. Such an approach is based upon a results-oriented stance aiming at a "balance of benefits," a concept that was and continues to be rejected by advanced and developing nations. Talk of reviving such concepts would only bring discussion to GATT, risk triggering trade wars and threaten the stability of the multilateral system of free trade. Mr. Denman urges the United States to join with the Community in taking such an approach against Japan. The leaders of the Community and the United States understand that only through the earnest efforts of all nations acting within the multilateral nondiscriminatory legal framework provided by GATT can we hope to realize the maximum benefit for all. — *International Herald Tribune*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

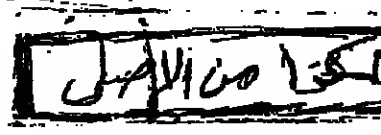
1893: Last Day for Café PARIS — Tortoni disappears from Paris to-day [June 30]. The café at the corner of the boulevard des Italiens and the rue Taibout, which for a century has been known as one of the favorite resorts of men renowned in literature, the arts and the aristocracy, to-day follows the Restaurant Bréban, and goes the way of all the earth. On Saturday the work of demolition will begin, and another feature of old Paris will have passed away.

1918: Dugout Delivery PARIS — The Y.M.C.A. has turned New York. Up along the Marne River the Y.M.C.A. has tackled the job of delivering Paris newspapers to the American soldiers, getting them even to the fellows who are lying on their backs in advanced posts out toward No Man's Land. The Paris edition of the *Harold* is loaded on Ford camionettes, driven by a stout

Y.M.C.A. boy with glasses who seems to have no nerves. At the very front, where the boys are under constant fire, the papers have to be carried from dugout to dugout by Y.M.C.A. men, who desert the truck some miles to the rear.

1943: Cologne Ravaged LONDON — [From our New York edition:] A huge fleet of British bombers made a savage attack last night [June 28] on Cologne, industrial and commercial German city on the Rhine. Tonight German troops and civil defense patrol were still hard at work trying to put out great fires in the city. The devastating assault, the fifth on the city, evoked anguished admissions of damage from the Nazi radio. As German war reporters gave their accounts funeral music was played as a background to their talks. Karl Holzhammer was introduced in a nation-wide broadcast by music from Wagner's "The Twilight of the Gods."

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OPINION

Letters From America (Or, Wise Up, Pundit)

WASHINGTON — M. L. Cadle goes straight to the point. "I think you are dead wrong," she wrote a few days ago, defending Bill Clinton and gently chastising the press for giving the president a hard time recently. And her view is not an isolated one.

In a recent column I suggested that Mr. Clinton had been less than presidential when he rebuked a television reporter, Bill Hume, for asking about the "zigzag" process that led to Rush Bader Gibburg's nomination to the Supreme Court (Opinion, June 17). But a spate of letters from readers generally took the president's side of the argument.

"President Clinton was absolutely right," Ms. Cadle, of Montgomery Village, Maryland, wrote, saying she was offended at Mr. Hume's trivialization of a moving ceremony honoring Judge Gibburg. Ms. Cadle's idea was echoed by S. E. Cohen of Bethesda, Maryland,

who says he shouted "Hurray, hurray," when the president rebuked Mr. Hume. More surprisingly, a writer identified as a "Republican for Clinton" pointed to the impossible challenges a modern president faces and helpfully sent along an excerpt from Harry Truman's memoirs: "Within the first few months I discovered that being a president is like riding a tiger. A man has to keep on riding or be swallowed. . . . A president either is constantly on top of events or, if he hesitates, events will soon be on top of him."

LETTERS TO THE EDITOR

Uneven Containment

Regarding "Keep Iraq and Iran Contained" (Opinion, June 23): A. M. Rosenthal's shamelessly biased articles add to the existing confusion in the Middle East. He prides the American administration's "dual containment" policy toward Iraq and Iran and totally avoids the issue of the necessary containment of Israel.

been for them during these endless five decades to watch impotently the deployment of an American Middle Eastern policy of total and unconditional support for Israeli priorities and preferences. Israeli regional policy is not one of deterrence, rather, it aims at coercing neighbors. A breakdown in peace talks will be followed by a breakdown of the regional state system. I wonder in whose national interest that will be?

The most consistent lightning-rod subject is still the Middle East. A column that threw an Arab-American reader into a rage because of its "cruelty" toward Palestinians also triggered an angry letter from a reader with accusations of "selling out" Israel by advocating a more direct American role in the peace process. In the Middle East, the middle of the road is still the most dangerous place to be.

The View From Istanbul

Regarding "The Example of Cyprus" (Letters, June 11): Pansyotis Dracos either prefers to forget the facts or twist them to fit his own version of truth. It was the extremist elements of the Greek Army and Cypriot Greeks who started the "ethnic cleansing" of the Turkish minority on the island of Cyprus. And, as in Bosnia, it was done with the support and military assistance of the military dictatorship in Athens, which was desperate for any kind of public support.

ica remained a silent spectator and withheld arms from the Bosnians. MUJAZZAM ALL London. The writer is chairman of the International Center for Islamic Studies.

AFIF SAFIEH, Head of the PLO delegation to Britain, London. Iraq is to be punished for its dream of ruling the Middle East and Iran for driving forward the "crashing wave of Islam." Serious crimes, indeed. But does the United States have any right to impose its will in distant lands and that, too, in an arbitrary manner? When Kuwait was attacked by Iraq, the United States rightly termed it aggression. But when Serbs annihilated a nation and perpetrated genocide, Americans can testify how difficult it has

Madison Avenue Goes for It, Baby

NYACK, New York — Reproduction has taken on a new cachet, and savvy marketers have taken note. In advertising, fantasy traditionally has implied sexual imagery, unattainable luxury or exotic settings. The new message is that the nuclear family is better than all that.

Easy, shows a dewy-eyed couple and a sample test with a positive result. The text reads: "Find out if there's a new life ahead of you." In the past, that might have meant improving yourself through education, a fulfilling career or perhaps vitamins.

glod for the right to be seen as more than reproductive or sexual objects. Today, the consensus seems to be that motherhood can be consistent with liberation if the woman seizes control. Women can be defined by motherhood again, because motherhood is defined as success.

MEANWHILE

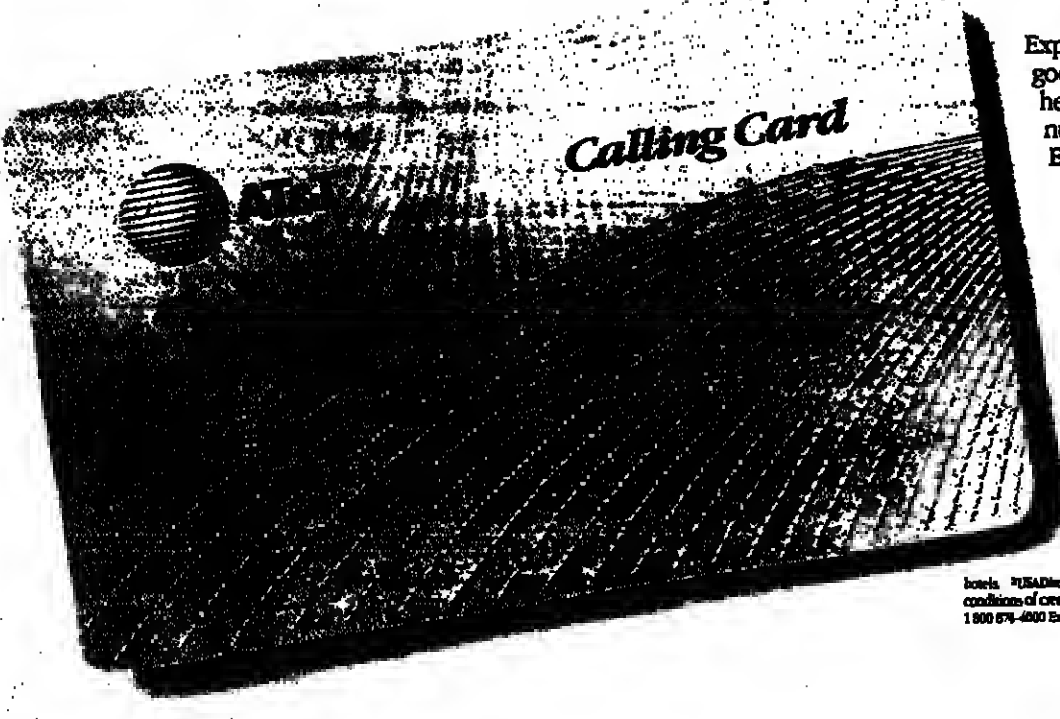
fumer to the stars. In one ad, Bijan poses with his son Nicholas, who represents the N in DNA (the D stands for son Daniel, the A for daughter Alexandra). Under the double-helix shaped bottle is the copy, "DNA. . . It's the reason you have your mother's eyes, your father's smile and . . . Bijan's perfume."

For one thing, advertisers from The Gap to IBM to Tyson chicken have determined that men are parents, too. In an ad for Family Circle magazine, a long-haired man adorned with tattoos and biker and hippie paraphernalia holds a small child, naked but for a string of beads that matches his father's. The logo reads, "Everything comes full circle."

The new pronatalism is not the 1950s mom-and-apple-pie kind — at least not on the surface. It has to do with selling anxiety. thinks about having a child, she's likely been controlling her fertility for years. Advertisers know that this sets up an uncertainty: She knows she can turn her fertility off, but can she turn it on again? The concern about control also creates a preoccupation with time. Does waiting until you're ready mean waiting too long? When is the right time?

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Table with columns for Country, Access Number, and International Number. Includes countries like Argentina, Australia, Belgium, Canada, etc.

*Public phones require coin or card. **Guest portion includes Berlin and Leipzig. †Not available in all countries. ‡Not available in all countries. ††Not available in all countries. †††Not available in all countries. ††††Not available in all countries.

Form for ordering an AT&T Calling Card. Includes fields for name, address, telephone number, and payment method.

Form for AT&T authorization. Includes signature, date, and terms of use for the calling card.



Closing of the Schiller Revives East-West Debate in Berlin

By John Rockwell
New York Times Service

BERLIN — The announced closing of the Schiller Theater by the Berlin Senate has led to the most heated protests against a cultural decision since 1989, when the Berlin Wall was breached. Over the weekend, banners hung down the theater's exterior with defiant slogans: "We're Playing On," "We Will Not Close This Theater." In the lobbies, there were letters and telegrams of support from all over Europe. On Tuesday, about 1,000 actors and stage workers demonstrated in front of Berlin's city hall.

political bankruptcy" and warned of a ripple effect throughout the country. But beyond vague expressions of sympathy, support for the Schiller Theater has been undercut by compromises, conflicts of interest and what the Berlin official responsible for the closing, Ulrich Roloff-Momin, the senator for culture, has dismissed as "hypocrisy."

theater directors and actors, capped by a declaration from the directors of the German state of North Rhine-Westphalia that until the decision was rescinded and Roloff-Momin dismissed, they would neither appear as guests in Berlin nor allow their companies to do so. The boycott is to begin with a scheduled Berlin engagement of Pina Bausch's Dance Theater of Wuppertal on July 12 and 13.

in the early 1970s, the Schiller Theater has steadily lost artistic luster. With renunciation, attendance has fallen to nearly 50 percent of capacity. Since this includes several big hits, other new productions, roundly panned by the critics, have played to nearly empty houses. Still, the Schiller's three theaters sold 200,000 tickets last season. And certainly the events of the last week have quickened the public's interest. "The Schiller Theater is livelier now than it's been in years," was the acid comment of Frankfurter Rundschau.

country," said the director of the Dresden Theater. "Lots of theaters have had to die in the East," wrote Frankfurter Allgemeine in a front-page column. "Now one is dying in the West, and it seems as if the whole world is collapsing."

Glyndebourne's London Season

By Henry Pleasants

LONDON — If London can't go to Glyndebourne, then Glyndebourne comes to London, if without evening dress, black tie and picnic baskets. London doesn't go to Glyndebourne this summer because the old theater on the picturesque Christie estate in Sussex is being replaced by a somewhat larger and much better equipped theater. Construction, we are told, is proceeding ahead of schedule with a Dec. 31 deadline for completion.

the rather unduly spacious Royal Festival Hall on London's South Bank. The repertoire is: Berlioz's *Beatrice et Benedict*, Beethoven's *Fidelio* and Lehár's *The Merry Widow* (in German with English super-titles). We have had the Berlioz and the Beethoven. *The Merry Widow* is scheduled for July 18, 20 and 22.

At 11:30 Saturday night, after a scheduled performance of Shakespeare's *As You Like It*, there was a marathon series of performances of all sorts, interspersed with fiery rhetoric. This "Long Night of Berlin Artists" lasted until 6 A.M. Sunday.

Despite the protestations of solidarity, however, support for the Schiller is not unambiguous. Since the rise of Peter Stein's Schaubühne

still intact. Gay is not really Coward, merely a reflection of him, and if "Present Laughter" is about anything philosophical, it is surely about the price of fame and the cost of charm.

At the Bush, "Backstage in a Crowded Pool" is a thoroughly eccentric later-day London fable about two teenage lifeguards in a public bath and the religious complexities of their private lives. John Dove's production is at its best when he converts the stage into the edge of the pool, and gives us glimpses of people drowning in their own emotional and racial uncertainties. Sophie Stanton and Tracy Keating, like their director, do their best to keep it all afloat.

Copi's 'Eva Perón,' Minus the Absurd

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — Copi's wild and willful plays, which titillated audiences, enraged establishment critics and brought the police at a gallop in the early 1970s, are again in favor.

thing more than an eccentric and something less than a genius. His "absurd" situations and actions came to life when the spotlights were upon them, and he could hypnotize audiences with his macabre humor.

advantage. The Arias version created on a small platform a spectacle of enormous intensity, swift movement, exotic costuming and theatricality, a Dantesque version of the text.

When Trevor Griffiths's "Comedians" first reached Nottingham and London in 1975, the term "alternative comedy" was largely taken to mean something not funny, and people doing solo turns in pubs and clubs usually completed their acts by removing their clothing. Times have changed a bit since then, and the play comes back to us at the Lyric Hammersmith looking a little dated, despite Tim McInerney's powerful performance in the role that made a star of Jonathan Pryce.

the revival is a straight melodrama of crude cut. Yveline Hamon as the heroine substitutes high hysteria for acting. Monique Méliand plays the avuncular mother, and Charlotte Clémence as her nurse is some help. But Claude Lévesque as Perón limits his part to an evil grin, and Rémi Gribier as his henchman appears to have been drafted from a gangster movie.

What has gone wrong at the Globe is the decision of the star playing Gary, Tom Conti, to direct the play himself, to shift its period from the '30s to the '50s, to give the leading lady a funny foreign accent, and to rewrite the ending. I do not necessarily believe that all the master's works have to be done precisely as he wrote them to the way last gomme. But the changes have to be for the better, and at the Globe they are most often for the worse. There is, however, strong playing from Judy Lee, Gabrielle Drake and Jenny Seagrove, and there's enough of interest in Conti's performance to make one regret all the more the absence of a director to keep him on the rails and off the funny voices. "Present Laughter" is the nearest Coward ever got to a Feydeau farce; Conti's slow, sheepdog style is fatally shaggy where it should be stamp as ice.

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Politics of Comedy: It's Not Funny

By Sheridan Morley
International Herald Tribune

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BOOKS

ALMOST PERFECT

By Alice Adams. 244 pages. \$23. Knopf.

Reviewed by Anita Shreve

ALMOST perfect. The notion is beguiling. An almost perfect love affair. An almost perfect party. An almost perfect friendship. An almost perfect man. Alice Adams invokes the conceit again and again in a world in which her characters seek to surround themselves with beauty, charm and the gloss of success in a vain and desperate attempt to ward off the menace that is always at the edges. Early in the novel, Richard Fallon, the ostensibly almost perfect man, gives a party for prospective clients. His San Francisco studio "is totally transformed. It has become a wonderland of bright glass bubbles: thousands of them — five thousand exactly. . . . Tiny glass translucent bells, hung from everywhere in that enormous space, from tiny gilt cornices on mirrors, from tips of phillodendron leaves — everywhere bubbles."

beauty we are given to understand is breathtaking. In addition, Richard will aggressively and sexually pursue Eva, a tall German goddess who is so beautiful Richard likes to think she resembles him.

when Richard finally starts to spiral into madness, we are confused. If the almost perfect man was nothing close to perfect, how are we to feel about his disintegration? Certainly this is not the stuff of tragedy or of a great love affair gone awry.

Adams is at her best, however, describing loss, more specifically the terrible anxiety of losing. Surrounding these very '90s characters is the menace of ruin and AIDS, of lost love and lost parents, of betrayal and broken contracts. One wishes Adams had stuffed her emphasis from the banal soap opera of beautiful people to the pathos of the vacuum, about which she writes with more authenticity.

BEST SELLERS

Rank	Title	Author
1	THE BRIDGES OF MADISON COUNTY	Robert Bly
2	PLEADING GUILTY	Scott Turow
3	THE SCORPION ILLUSION	Robert Ludlum
4	THE CLIENT	John Grisham
5	THE PLACES THAT YOU'LL GO BY	Dr. Seuss
6	LIKE WATER FOR CHOCOLATE	Luzmar Esquivel
7	GALATIOTI	James Clavell
8	CRUEL & USUAL	Patricia D. Cornwell
9	ILL BE SEEING YOU	Mary Higgins Clark
10	THE LAST COMMAND	Timothy Zahn
11	FIG IN HEAVEN	Barbara Kingsolver
12	A SEASON IN PURGATORY	Dominick Dunne
13	DAVEY DOLL	Robert B. Parker
14	ANGEL	Barbara Taylor Bradford
15	DECEPTION	Annemarie Selverstone
16	THE WAY THINGS OUGHT TO BE	Ruth E. Lincoln
17	WOMEN WHO RUN WITH THE WOLVES	Clarissa Pinkola Estés
18	THE FIFTHS	David Halberstam
19	THE REAL ANITA HILL	David Brock
20	EMBRACED BY THE LIGHT	Betty J. Eadie with Curtis Taylor
21	HEALING AND THE MIND	Bill Moyers
22	THINKING OUT LOUD	Lena Olin
23	CARE OF THE SOUL	Thomas Moore
24	SECRET CEREMONIES	Deborah Lasker
25	MOMMY MAKES UP HER MIND	Betty White
26	DAYS OF GRACE	Arthur Ashe and Arnold Rampersad
27	BANKRUPT 1993	Henry E. Finkle with Gerald J. Swanson
28	RACE MATTERS	Cornel West
29	CULTURE OF COMPLAINT	Robert Fogelin
30	THE TE OF FICLET	Rebecca Hoff
31	A WOMAN'S WORTH	Marianne Williamson
32	HARVEY PINKER'S LITTLE RED BOOK	Harvey Pinker with Bud Schara
33	REGENERATION	Hammer and James Clavell
34	BEATING THE STREET	Peter Lynch with John Koff

NYSE

سكواك اليا

NYSE

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	45.00	+0.50
ORCL	35.00	+0.25
INTL	25.00	+0.10
DISC	20.00	+0.15
WALD	15.00	+0.05
AMZN	12.00	+0.10
GOOG	10.00	+0.05
MSFT	45.00	+0.50
ORCL	35.00	+0.25
INTL	25.00	+0.10
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GOOG	10.00	+0.05

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GOOG	10.00	+0.05

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WALD	15.00	+0.05
AMZN	12.00	+0.10
GOOG	10.00	+0.05

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INTL	25.00	+0.10
DISC	20.00	+0.15
WALD	15.00	+0.05
AMZN	12.00	+0.10
GOOG	10.00	+0.05

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AMZN	12.00	+0.10
GOOG	10.00	+0.05

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WALD	15.00	+0.05
AMZN	12.00	+0.10
GOOG	10.00	+0.05

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DISC	20.00	+0.15
WALD	15.00	+0.05
AMZN	12.00	+0.10
GOOG	10.00	+0.05

NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
100	80	0.00	0.00	10	100	100	80	95	+15
120	100	0.00	0.00	10	120	120	100	110	+10
140	120	0.00	0.00	10	140	140	120	130	+10
160	140	0.00	0.00	10	160	160	140	150	+10
180	160	0.00	0.00	10	180	180	160	170	+10
200	180	0.00	0.00	10	200	200	180	190	+10
220	200	0.00	0.00	10	220	220	200	210	+10
240	220	0.00	0.00	10	240	240	220	230	+10
260	240	0.00	0.00	10	260	260	240	250	+10
280	260	0.00	0.00	10	280	280	260	270	+10
300	280	0.00	0.00	10	300	300	280	290	+10

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
320	300	0.00	0.00	10	320	320	300	310	+10
340	320	0.00	0.00	10	340	340	320	330	+10
360	340	0.00	0.00	10	360	360	340	350	+10
380	360	0.00	0.00	10	380	380	360	370	+10
400	380	0.00	0.00	10	400	400	380	390	+10
420	400	0.00	0.00	10	420	420	400	410	+10
440	420	0.00	0.00	10	440	440	420	430	+10
460	440	0.00	0.00	10	460	460	440	450	+10
480	460	0.00	0.00	10	480	480	460	470	+10
500	480	0.00	0.00	10	500	500	480	490	+10

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
520	500	0.00	0.00	10	520	520	500	510	+10
540	520	0.00	0.00	10	540	540	520	530	+10
560	540	0.00	0.00	10	560	560	540	550	+10
580	560	0.00	0.00	10	580	580	560	570	+10
600	580	0.00	0.00	10	600	600	580	590	+10
620	600	0.00	0.00	10	620	620	600	610	+10
640	620	0.00	0.00	10	640	640	620	630	+10
660	640	0.00	0.00	10	660	660	640	650	+10
680	660	0.00	0.00	10	680	680	660	670	+10
700	680	0.00	0.00	10	700	700	680	690	+10

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
720	700	0.00	0.00	10	720	720	700	710	+10
740	720	0.00	0.00	10	740	740	720	730	+10
760	740	0.00	0.00	10	760	760	740	750	+10
780	760	0.00	0.00	10	780	780	760	770	+10
800	780	0.00	0.00	10	800	800	780	790	+10
820	800	0.00	0.00	10	820	820	800	810	+10
840	820	0.00	0.00	10	840	840	820	830	+10
860	840	0.00	0.00	10	860	860	840	850	+10
880	860	0.00	0.00	10	880	880	860	870	+10
900	880	0.00	0.00	10	900	900	880	890	+10

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
920	900	0.00	0.00	10	920	920	900	910	+10
940	920	0.00	0.00	10	940	940	920	930	+10
960	940	0.00	0.00	10	960	960	940	950	+10
980	960	0.00	0.00	10	980	980	960	970	+10
1000	980	0.00	0.00	10	1000	1000	980	990	+10
1020	1000	0.00	0.00	10	1020	1020	1000	1010	+10
1040	1020	0.00	0.00	10	1040	1040	1020	1030	+10
1060	1040	0.00	0.00	10	1060	1060	1040	1050	+10
1080	1060	0.00	0.00	10	1080	1080	1060	1070	+10
1100	1080	0.00	0.00	10	1100	1100	1080	1090	+10

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
1120	1100	0.00	0.00	10	1120	1120	1100	1110	+10
1140	1120	0.00	0.00	10	1140	1140	1120	1130	+10
1160	1140	0.00	0.00	10	1160	1160	1140	1150	+10
1180	1160	0.00	0.00	10	1180	1180	1160	1170	+10
1200	1180	0.00	0.00	10	1200	1200	1180	1190	+10
1220	1200	0.00	0.00	10	1220	1220	1200	1210	+10
1240	1220	0.00	0.00	10	1240	1240	1220	1230	+10
1260	1240	0.00	0.00	10	1260	1260	1240	1250	+10
1280	1260	0.00	0.00	10	1280	1280	1260	1270	+10
1300	1280	0.00	0.00	10	1300	1300	1280	1290	+10



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Great Britain £	210	115	65
Greece Dr.	75,000	41,000	22,000
Ireland Sh.	230	125	68
Italy Lit.	800,000	425,000	230,000
Luxembourg L.F.	14,000	7,700	4,200
Netherlands Fl.	770	420	230
Norway N.Kr.	3,500	1,900	1,050
Portugal Esc.	47,000	25,000	14,000
Spain Pes.	48,000	26,500	14,500
Spain (hand deliv. Madrid) Ptas.	55,000	27,500	14,500
Sweden (journal) S.Kr.	3,100	1,700	900
Sweden (hand delivery) S.Kr.	3,600	1,900	1,000
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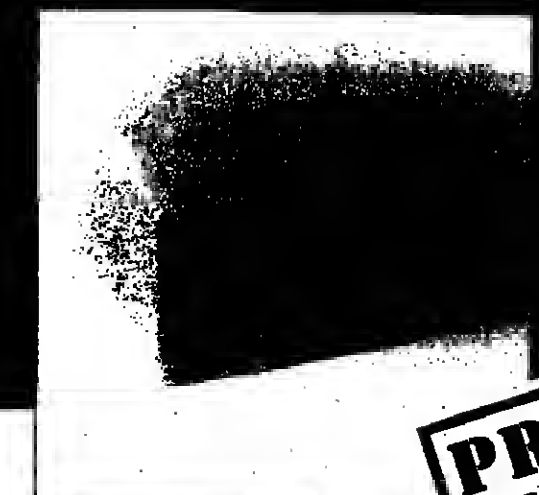
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Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE Ratio High Low Last Change

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
134.50	134.00	AA							
134.00	133.50	AA							
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NYSE

Today's Closing Tables include the national price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Div, Yld, PE, etc. Lists various stocks and their performance metrics.

Table with columns: 12 Month High, Low, Div, Yld, PE, etc. Lists various stocks and their performance metrics.

DACHA: Solzhenitsyn Back in Stalinist Haunts

Continued from Page 1. Capitalist Russia that has emerged since the 1991 collapse of the Soviet Union and communism. When Mr. Solzhenitsyn was persecuted and eventually forced into exile, he carried a moral authority matched only by that of his fellow dissident and Nobel laureate Andrei D. Sakharov, who died two years ago.

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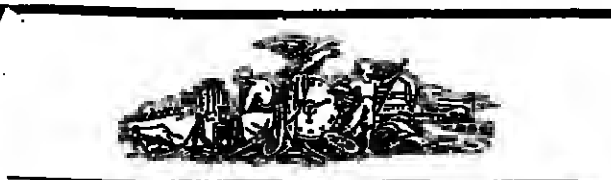
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June 29, 1993

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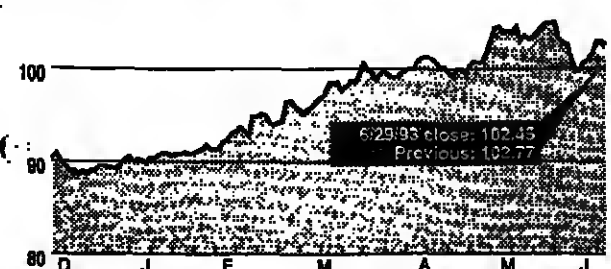
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Region	Approx. weighting	Close	Prev.	% Change
Asia/Pacific	25%	117.17	118.57	-1.17
Europe	40%	97.89	97.15	+0.74
N. America	35%	94.99	95.23	-0.24

Industrial Sectors	Tot. close	Prev. close	% change
Energy	103.01	103.23	-0.21
Utilities	106.78	106.92	-0.17
Finance	100.39	110.89	-9.53
Services	112.26	112.82	-0.50
Capital Goods	88.16	88.47	-0.31
Raw Materials	89.80	99.85	-10.15
Consumer Goods	87.55	87.46	+0.10
Miscellaneous	101.80	102.41	-0.50

For readers seeking more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Anemic Readings Of U.S. Economy

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — In a three-pronged indication of a weakening economy, sales of new homes plunged in the latest month while consumer confidence and the U.S. government's chief forecasting index posted an unsettling, albeit moderate, decline, reports showed Tuesday.

Although most analysts continued to expect growth for the second half of the year to exceed that of the very sluggish first half, the new data prompted expressions of concern that the risks to further expansion had grown.

The economy "could turn down — or it could slow down" some more, commented Larry Moran, a Commerce Department economist. He referred specifically to a decline of 0.3 percent in the index of leading indicators for May, the fifth straight month in which the index reversed direction.

Home sales dropped so sharply, 21 percent, that a large April gain was essentially wiped away, the government also reported, despite the fact that buyers enjoyed some of the lowest interest rates in two decades and relatively appealing prices.

In a third report, the Conference Board found that consumer confidence declined for the second straight month in June, with sentiment on the pessimistic side in October — falling for both current conditions and those in the months immediately ahead.

"The continued low level of consumer confidence suggests that the economy remains weak," said Fabian Lindner, compiler of the survey data for the Conference Board, a business-backed group based in New York.

The dollar gained against the See ECONOMY, Page 16.

A Bunch of Protectionism EC's Banana Ruling Peels Open Schism

By Brandon Mitchener
International Herald Tribune

FRANKFURT — Already under attack from the outside over protectionism, the European Community added enemies from within Tuesday with a controversial ruling on banana imports.

A decision by the European Court of Justice in Luxembourg upholding new import rules restricting banana imports from non-Community sources also exacerbated friction between France — a primary beneficiary of the ruling — and Germany, bitterly opposed.

The German economics minister, Günter Rexrodt, said in Brussels that the court's decision was temporary and there were still ways to challenge it. In fact, a definitive ruling may not come until early 1994, but Germany will have to abide by the new law in the meantime.

Fruit importers in Germany said the rules, which takes effect Thursday, would double the price of bananas locally and cost Germany, the Community's biggest banana consumer, an additional 2 billion Deutsche marks (\$1.2 billion) yearly. Earlier this year, in a rare display within the Community, government and business leaders in Germany, Belgium, the Netherlands and Luxembourg joined to oppose protectionist EC rules on banana imports.

The Federation of German Industry called Tuesday's decision a bad sign that was sure to draw a sharp response from the General Agreement on Tariffs and Trade. Arthur Dunkel, former director of GATT, recently took pains to explain that the banana dispute was no joke. "People laugh when they hear about this in the United States, but it's a problem that's life or death for some islands in the Caribbean and some countries in Africa," he said.

Re:4 Steichen, the EC farm commissioner, said

the new rules respect "to the greatest extent possible the diverging interests" of EC producers and consumers as well as obligations to former colonies that enjoy special trade privileges. "The regime has been designed in such a way as to ensure that the Community market is adequately supplied and that these supplies come from traditional sources."

A GATT panel has already judged that the EC import rules unfairly harm Latin American exports. The panel recommended last month that Britain, France, Greece, Italy, Portugal and Spain end their discriminatory quotas and lower tariffs for Latin American producers to bring them into line with GATT norms. The panel's ruling, which is expected to be confirmed by a higher-level dispute board later this year, followed a complaint by Colombia, Costa Rica, Guatemala, Nicaragua and Venezuela.

The rules set a quota of 2 million tons on imports of so-called dollar bananas from Central and South America and imposes a tariff that jumps from \$17 a ton to \$95 a ton for imports beyond the quota.

Germany, Belgium, Denmark and the Netherlands had enjoyed free import of dollar bananas. Elsewhere in Europe, the market was largely reserved for former colonies: Martinique, Guadeloupe, the Canary Islands and various African and Caribbean nations.

While the share prices of at least two Irish banana importers rose on the ruling, Bernd-Arten Wessels, chairman of Bremen-based Atlanta AG, Europe's biggest banana importer, said the decision threatened 6,500 jobs.

The ruling comes as a particularly unpleasant blow to former residents of East Germany, who were denied bananas and other tropical fruits during 40 years of socialism and now consume more bananas than citizens of the West.

Japan Protects Market and Jobs, Clinton Says

Compiled by Our Staff From Dispatches

WASHINGTON — The Japanese government deliberately shuts foreign competition out of its domestic market in order to maintain high employment, President Bill Clinton said Tuesday.

"The country with the lowest unemployment rate of all the wealthy countries of the world is Japan," Mr. Clinton told a group of small-business executives. "It would be hard to make a serious case that they have a low unemployment rate because their government is not involved in their economy."

Mr. Clinton was speaking a day after a second round of talks between Japanese and American negotiators failed to agree on a new framework for economic relations with the United States before next week's Group of Seven summit meeting in Tokyo.

While Japanese manufacturers are very efficient at producing goods for sale abroad, the protectionist domestic market allows companies to use expensive, labor-intensive procedures for goods sold at home, Mr. Clinton said.

The United States and Japan currently are discussing ways to improve their economic relations and

reduce Japan's mammoth trade surplus. The Americans want to establish set targets for import penetration overall and in specific sectors, while the Japanese oppose the approach as one of government-sponsored managed trade.

"I don't think we should" adopt a government-controlled system similar to Japan's in order to boost employment, Mr. Clinton said. We

Japan released some disappointing economic statistics. Page 18

need to "get the government out of those things where the private sector is doing well and doing better."

In Tokyo, Finance Minister Yoshiro Hayashi said Tuesday that Japan still hoped to agree on a new economic framework before the summit meeting.

"We need a compromise that satisfies both parties," Mr. Hayashi told a news conference.

He said that Tokyo had "problems" with Washington's demands to include in the agreement various numerical targets aimed at reducing Japan's record trade surplus and opening the country's markets.

Japan's Fair Trade Commission on Monday released a report saying a U.S. request for Japan to set numerical import targets would undermine competition, the Nihon Keizai newspaper said.

The setting of numerical targets for imports cuts down on choices for consumers and delays the restructuring of American industries to become more efficient, it quoted the report as saying. The report also criticized the setting of voluntary restraints by Japanese exporters.

The voluntary restraints should be revised, the Fair Trade Commission said.

Construction Minister Kishiro Nakamura, meanwhile, said that he believed Washington would defer implementing sanctions aimed at forcing Japan to open its construction market.

"I don't think they will implement sanctions," he told another news conference, adding that progress in resolving unfair Japanese practices in public works projects appeared likely. (Bloomberg, AFP)

Sumitomo to Put \$200 Million Into LTV

Agence France-Press

TOKYO — Sumitomo Metal Industries Ltd. announced Tuesday an investment of \$200 million in LTV Corp., giving it a potential stake of 10 percent in America's third-largest steelmaker.

The company said its investment in the reorganized LTV, which emerged from bankruptcy protection on Monday, would provide support for two bonded issues set up by the steelmaker in 1986 and 1991.

The closer relationship between Sumitomo and LTV will also help meet the demand for high-quality steel from Japanese carmakers and appliance manufacturers with international operations, Sumitomo said.

The announcement came only a week after Washington imposed anti-dumping tariffs on steel exporters from 19 countries. The Japanese steelmakers, including Sumitomo, were most affected by the action, and they complain that

the move frustrates their efforts to restructure the industry in the United States.

Sumitomo's investment is made up of \$100 million in convertible voting preferred stock and \$100 million in senior secured convertible notes. After exercising its conversion rights, Sumitomo said it would hold about 10 percent of LTV's equity, depending on the market price of the new stock.

"LTV is emerging as one of the premier steel companies in the U.S.," Sumitomo said, noting that LTV's steel division had invested \$2 billion on modernizing its plants and facilities under the restructuring of the company.

"This should result in a satisfactory return," the company said, adding that the partnership would be "significantly strengthened."

Sumitomo and LTV have ties stretching back to the 1950s. They formed their first joint venture, Y-S Electro-Galvanizing Co., in Cleveland

in 1966. Owned 40 percent by Sumitomo and 60 percent by LTV, it has invested \$160 million on a production line with a capacity of 364,000 tons a year.

In addition, the two companies each hold 50 percent of a second venture established in Columbus in 1991, L-S II Electro-Galvanizing Co., which has spent \$200 million on a line with an annual capacity of 327,000 tons.

LTV's operating loss narrowed to \$122 million last year from \$224 million in 1991 while its net earnings jumped to \$599 million from \$74 million. Sales rose to \$3.83 billion from \$3.7 billion while sales volume grew to 7.2 million tons from 6.6 million tons.

Sumitomo Metal's pretax earnings plunged 87 percent, to 5.3 billion yen (\$50 million), in the year to March. Its sales dropped 4.2 percent, to 1.1 billion yen, mainly due to Japan's weak economy and the stronger yen.

MEDIA MARKETS

German Sales Translate Into Profits for U.S. Books

By Ann Brocklehurst
Special to the Herald Tribune

BERLIN — For publishers and writers of English language books in search of profits and audiences abroad, Germany has often proved their most lucrative foreign market. Germans are the world's biggest book buyers on a per-capita basis, and the country's publishers have become more aggressive about buying the rights to English books they believe will be a success. In turn, English-language publishers, authors and agents have been asking ever-higher prices for the licenses to print their books.

As a result of the increased competition, book prices in Germany have risen to the point where most titles on the best-seller list cost almost 40 Deutsche marks (\$23.50) or more. Michael Naumann, the head of Hamburg's Rowohlt books, predicts that with the country in a recession, publishers will have to be more careful about what they can afford to pay for licenses.

"Books can't get more expensive, which means we can't pay such high prices for licenses," he said.

Books, like most consumer products, benefited from the fall of the Berlin Wall and the access almost overnight in a new market of 17 million people. Book sales by West German publishers rose to 14.26 billion DM in 1991 from 12.74 billion in 1990. Sales figures for 1992 are expected to show slowing growth.

Publishers say the book industry is generally a profitable one, but exact figures are difficult to come by since many of Germany's 2,000 publishers are privately owned and the big conglomerates, such as Bertelsmann AG, do not always break down their figures.

German publishers also prefer to keep quiet about license prices, unlike in the United States, where publishers often boast how much they have paid to acquire a book as a publicity ploy to boost sales. Rainer Heumann, the head of the Zurich literary agency Mohr Books, said license costs range from 100 DM to 1 million DM. "The prices paid by the German publishers are among the highest internationally," he said. "The big conglomerates can pay the highest, but even smaller publishers pay a lot these days."

Mr. Heumann, whose company sells rights in English books to German publishers, said the German-speaking market of 100 million people, which includes Austria and German-speaking parts of Switzerland, is rivaled only by Japan in its financial importance for English-speaking writers.

Of the almost 70,000 book titles published in Germany in 1991, See EDITOR, Page 17

Many English authors sell more books in German.

U.S. Price War Hits BAT Tobacco Unit

Compiled by Our Staff From Dispatches

LONDON — BAT Industries PLC joined on Tuesday the ranks of cigarette makers reeling from U.S. price war, warning that its Brown & Williamson subsidiary's profits would be impacted.

The company also said it would swap the rights to sell certain cigarette brands with American Brands Inc., which will pay it about \$135 million (\$201.6 million) as part of the deal. The companies now divide markets for the brands involved.

Earlier this year, Philip Morris Cos. cut the price of its Marlboro brand, kicking off a battle among makers of premium cigarettes.

BAT said retailers now hold excessive inventories of Brown & Williamson brands, notably Kool.

The reduction in these stock levels would affect trading profit in the first half of 1993 by approximately \$75 million, compared with the similar period last year, BAT said.

Meanwhile, to boost competitiveness, American Brands is buying from BAT the right to sell the Benson and Hedges brands in the duty-paid markets of the European Community and the European Free Trade Area.

An American Brands unit, Galaher Ltd., already owns Benson and Hedges in Britain and Ireland.

BAT will keep duty-free sales of Benson and Hedges, Benson and Hedges exports from Europe and

other Benson and Hedges overseas markets.

BAT also will acquire from American Brands the right to sell Lucky Strike and Pall Mall cigarettes in France and other foreign markets. BAT now sells those brands in all other European markets and will also get the exclusive right to sell them in duty-free markets of the United States.

"Lucky Strike, which has already enjoyed significant success in Spain, Germany and France, should develop into an even stronger U.S. international brand as a result of the change of ownership," BAT said.

Ulrich Herter, managing director of BAT's tobacco business, said the deal would enable the company to build on the success of Lucky Strike in Europe.

The arrangements have been cleared by EC Commission competition authorities, BAT said.

The companies said their deal was prompted by the completion of the single European market and will "overcome the disadvantages of divided ownership in the key international filter brands in Europe."

The actual cash paid by American Brands to BAT will depend on future Benson and Hedges sales. BAT said it expects to lose about \$8 million yearly without that brand. (AP, AFP)

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Throughout history, man has sought to safeguard the things he values. It was true in the Middle Ages, when banking institutions emerged to shelter the wealth created by an expanding market economy. It's equally true now. Today, however, safety isn't a matter of having the biggest strongbox or the heaviest padlock. In today's fluid world, safety is tied to prudent policies, a strong balance sheet and a

conservative banking philosophy. Those are the very qualities that have made Republic National Bank one of the safest institutions in the world. Our asset quality and capital ratios are among the strongest in the industry. And our dedication to protecting depositors' funds is unmatched anywhere. As a subsidiary of Safra Republic Holdings S.A. and an affiliate of Republic New York

Corporation, we're part of a global group with more than US\$4 billion in capital and US\$46 billion in assets. These assets continue to grow substantially, a testament to the group's risk-averse orientation and century-old heritage. So, while much has changed since the Middle Ages, safety is still a depositor's most important concern. And it's still our most important mission.

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JAVICO LTD

MARKET DIARY

Computer Issues Off In a Weak Market

Bloomberg Business Week NEW YORK — U.S. stocks declined Tuesday as renewed concern about the economy and computer industry profits led investors to cash in gains from Monday's rally.

The Dow Jones industrial average closed down 11.35 points at 3,518.85. The index had soared 39.31 on Monday.

On the New York Stock Exchange, declines led advances by a narrow margin. Trading volume was active at 266 million shares, boosted by about 35 million shares in Argentine oil company YPF SA, which started trading Tuesday.

On Monday, concern about the economy was muted by the drop in long-term interest rates to their lowest level in 16 years. 7.67 percent on the 30-year Treasury bond.

But Tuesday morning, the Commerce Department said the index of leading indicators fell 0.3 percent in May, the third drop in five months. Also, the National Association of Realtors said new sales of single-family homes declined 21 percent in May, the sharpest decline in 13 years.

The Conference Board, meanwhile, said consumer confidence dropped to 58.9 in June from a revised 61.9 in May.

"The economic news was a little gloomier than expected," said Jim Benning, a trader at BT Brokerage.

"One day we have reports that the economy is picking up, and the next day it's slowing down," said Ricky Harrington, senior vice president at Interstate/Johnson Lane in Charlotte, North Carolina. As a result, "the market has been so fragmented recently, it's been very difficult to put two consecutive up days together."

A move Monday by Dell Computer Corp. to cut prices in Japan had investors bracing for another round of price wars and lower profits, in the personal computer industry, traders said.

An Oppenheimer & Co. analyst began coverage of Compaq and Dell on Tuesday with "sell" ratings. The analyst, James Poyner, said Compaq's and Dell's earnings will be weaker than current Wall Street expectations.

Compaq Computer Corp. fell 4 1/2 to 49 1/2, and Dell Computer Corp. was 7 1/2 lower at 19.

Mr. Poyner said inventories at personal computer makers are too high, unit sales growth is slowing and the industry faces renewed pricing pressures after Dell's price cuts overseas.

Other computer stocks fell in sympathy. International Business Machines was down 1 1/2 at 49, Digital Equipment Corp. was down 1 1/2 at 41, and Apple Computer Inc. fell 1 1/2 to 39.

ECONOMY: Data Hits Dollar

Continued from Page 15 yen, though, as news of a fresh political scandal in Japan intensified traders' concern about the country's leadership crisis.

The dollar fell to 1.6891 DM by the New York close from 1.6960 DM at Monday's close. The U.S. currency slipped to 5.6900 French francs from 5.7160 francs and to 1.4980 Swiss francs from 1.5048 francs. The pound rose to \$1.5115 from \$1.4963.

The dollar rose to close at 106.25 yen from 106.25 on Monday.

The dollar started its slide after the Commerce Department weakened the index and then weakened further on the reports about consumer confidence and new home sales.

"The numbers were pretty ugly, especially consumer confidence," said Paul Farrell, chief dealer at Chase Manhattan Bank.

With confidence on the wane, consumer spending is likely to remain anemic. That means U.S. interest rates are not likely to rise anytime soon, traders said. Higher rates would make dollar-denominated investments more attractive, bolstering demand for the currency.

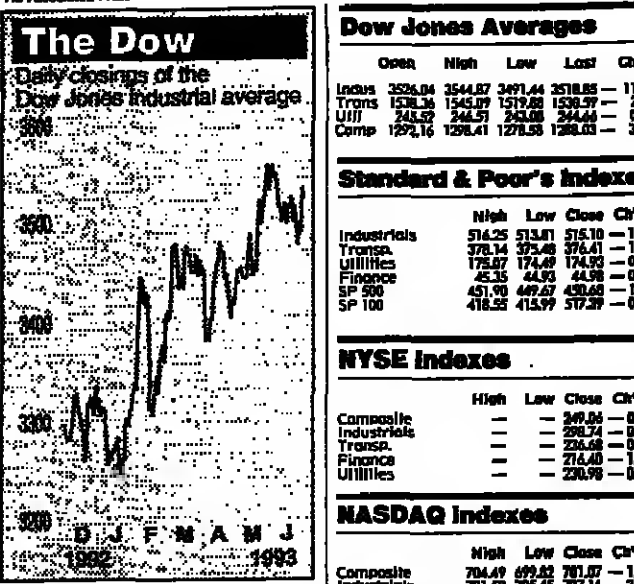
Prospects for a cut in interest rates in Germany kept the dollar from falling further against the mark and other European currencies. Mr. Farrell said. The Bundesbank could cut interest rates as early as this Thursday, when the bank's policymakers hold their next session.

Concern about Germany's poor economic performance has helped the dollar jump 7 percent against the mark since early June. Those gains could evaporate if the U.S. recovery withers, analysts said.

"We need a good economic number to keep the rally going," said Win Tim, international economist at MCM CurrencyWatch.

The dollar rallied in Tokyo, meanwhile, amid signs that the scandal that splintered the ruling Liberal Democratic Party may not be over. Tokyo stocks and the yen tumbled after the mayor of the town of Sendai was arrested for taking bribes from Japanese construction companies.

The arrest comes just days before Tokyo hosts the annual summit of the Group of Seven industrial nations. Japan's trading partners have often complained that bid-rigging makes it difficult for foreign companies to compete. The dollar rose as high as 108.3 yen before declining on the poor economic data.



Daily Closing of the Dow Jones Industrial Average

NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Last, and Change. Includes stocks like YPF SA, Dell Computer, and International Business Machines.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Last, and Change. Includes stocks like Compaq Computer and Dell Computer.

NYSE Diary

Table listing NYSE Diary with columns for Stock Name, Change, and Previous Close. Includes stocks like Dow Jones Industrial Average and S&P 500.

AMEX Diary

Table listing AMEX Diary with columns for Stock Name, Change, and Previous Close. Includes stocks like Compaq Computer and Dell Computer.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Stock Name, Change, and Previous Close. Includes stocks like International Business Machines and Digital Equipment Corp.

Forecasters Say Lloyd's Erred

Bloomberg Business Week LONDON — Lloyd's of London's 1990 pretax loss could be worse than the £2.92 billion (\$4.36 billion) unveiled at last week's annual meeting, said Chaslet Ltd., the publisher of a guide to individual syndicates' performances.

"I was surprised Lloyd's figures weren't more," said John Rew, co-editor of Chaslet and a member of Lloyd's. Chaslet's estimate for the 1990 loss, which excludes the money set aside for previous years, is £1.781 billion, while Lloyd's said its corresponding estimate was £1.328 billion. Mr. Rew said Lloyd's underestimated the amount to be set aside on the personal stop-loss policies members came out to cap exposure to large losses.

Chaslet Ltd. is a London-based company that publishes a guide to individual syndicates' performances. The guide is used by investors and risk managers to assess the performance of different syndicates.

The guide is published annually and provides detailed information on the performance of individual syndicates, including their loss ratios and claims experience.

Chaslet Ltd. is a subsidiary of the Chaslet Group, which also publishes other financial and market-related publications.

The guide is widely regarded as one of the most authoritative sources of information on the Lloyd's market.

Chaslet Ltd. is a public company listed on the London Stock Exchange.

The guide is available for purchase from Chaslet Ltd. or through various distributors.

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Chaslet Ltd. is committed to providing high-quality research and analysis.

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EUROPEAN FUTURES

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Table for EUROPEAN FUTURES - Metals section, listing contracts like ALUMINUM (LME) and COPPER (LME) with columns for Open, High, Low, Last, and Change.

Table for EUROPEAN FUTURES - Financial section, listing contracts like 3-MONTH STERLING (LIP) and 6-MONTH STERLING (LIP) with columns for Open, High, Low, Last, and Change.

Table for EUROPEAN FUTURES - Stock Indexes section, listing contracts like FTSE 100 (LIP) and DAX (LIP) with columns for Open, High, Low, Last, and Change.

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U.S./AT THE CLOSE

Philip Morris Adds to Russian Unit

RYE BROOK, New York (Reuters) — Philip Morris Cos. said Tuesday it would invest more than \$60 million in the Krasnodar Tobacco Factory in southern Russia, acquiring a majority stake.

Russia is the world's third-largest cigarette market. Philip Morris is initially buying a 49 percent stake, which will increase to a majority once all of its investment is made.

Philip Morris will acquire the interest from the regional State Property Fund. The company plans to build a cigarette factory in St. Petersburg, and its Marlboro brand is currently being produced at the Samara Tobacco factory.

3DO Has \$15.4 Million Loss in Year

SAN MATEO, California (Bloomberg) — 3DO Co., a consumer electronics company whose initial public offering last month met Wall Street acclaim, posted a loss of \$15.4 million for fiscal 1993.

The company, backed by some of the world's largest media-entertainment companies, is attempting to develop a standard design for a home entertainment system that would bring to the market a blend of consumer electronics and computers.

For the 18-month period starting with the company's founding in October 1991, 3DO posted a loss of \$18.1 million. The company did not break out fourth-quarter results. Results for the year ended March 31 exclude several acquisitions in April as well as the company's initial public offering in May, which raised \$435 million. Both will be reflected in fiscal 1994's first quarter.

GM and Toyota to Extend NUMMI

FREMONT, California (UPI) — General Motors Corp. and Toyota Motor Corp. announced that they have agreed to extend their joint venture, New United Motor Manufacturing Inc., beyond its originally envisioned December 1996 expiration date.

Under the agreement, NUMMI — which builds the Geo Prizm, Toyota Corolla and Toyota compact pickup truck — will continue indefinitely in its current form, provided the Federal Trade Commission approves.

NUMMI remains subject to a 1984 F.T.C. order limiting the number of joint ventures to December 1996, but NUMMI, GM and Toyota have all joined in petitioning the F.T.C. to vacate the order. NUMMI employs 4,250 workers at California's only auto plant.

YPF Climbs on First Day of Trading

NEW YORK (AP) — Stock in the Argentine oil company, YPF, which was offered at \$19 per share, closed Tuesday at \$21.875 in its first day of trading on the New York Stock Exchange.

More than 34 million shares changed hands. YPF reached a high during the day of \$22.125.

Prices in YPF also climbed on the Buenos Aires Stock Exchange as traders reported a climate of enthusiasm. The Argentine government raised more than \$3 billion by selling 160 million shares, representing 46 percent of the equity in YPF. The offering was increased from 135 million.

For the Record

General Motors Corp. will introduce a redesigned Corvette for the 1997 model year. The announcement was made during the Corvette 40th birthday celebration at Chevrolet headquarters.

ITT Corp. said it signed an agreement to buy the Desert Inn Properties from an investment group led by billionaire financier Kirk Kerkorian for about \$160 million.

A joint venture between The Wall Street Journal and El Norte, one of Mexico's biggest publishers, to create a daily newspaper in Mexico City has collapsed, partly over the issue of control.

International Business Machines Corp. cut prices of its ActionMedia family of multimedia products by as much as 41 percent. The ActionMedia II enables digital full-motion video, audio and still images to be captured, compressed, stored and displayed on IBM-compatible personal computers.

U.S. FUTURES

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Commerz To Acquire French CCR

Commerzbank AG, Germany's fourth-largest commercial bank, said it will buy Caisse Centrale de Renseignements, an asset-management and corporate-banking concern controlled by Compagnie Financière de Paris.

A Commerzbank spokesman, Peter Pietsch, said the German bank paid a "three-digit sum in the millions" of Deutsche marks. A Commerzbank executive in France said the estimate of 300 million to 800 million French francs (\$86.8 million and \$1.39 billion) was accurate.

CCR has net equity capital of about 350 million francs and last year earned 50.3 million francs.

The acquisition will allow Commerzbank to re-establish banking ties in France following the absorption last year of a cooperation agreement with Crédit Lyonnais.

CCR, which manages 21 funds with 16 billion francs in assets, will give the German bank a boost in the French banking market when Paris is selling state-owned companies, the Commerzbank France deputy director, Gilles Dechandol, said.

Commerzbank said CCR's activities could be expanded to include securities and derivatives trading and new fund products. CCR has a trading and arbitrage desk in Paris, while Commerzbank in France recently added its first two bond traders, Mr. Dechandol said.

CCR will work closely with Commerzbank International Capital Management GmbH, the Frankfurt-based subsidiary specializing in portfolio management for institutional investors outside Germany.

Mr. Dechandol said Commerzbank had no interest in expanding CCR into retail banking. Commerzbank opened a French corporate-banking office in 1976.

2 Carmakers Move Closer Renault and Volvo Merge Planning Units

STOCKHOLM — Renault SA and Volvo AB said Tuesday they would establish a joint strategic and product-planning department.

The move is a step toward a possible merger of the European carmakers, which have had a strategic alliance involving cross-shareholdings since 1990.

Volvo described the planning department, to be created by September, as "an important step forward in developing the areas of cooperation between the two companies." The carmakers already have announced joint purchasing programs and plans to use common motors, gear boxes and other parts for future top-of-line cars models.

The new department will be headed by Georges Douin, senior vice president in charge of project planning at Renault. His deputy will be Lennart Svantesson, vice president for product planning at Volvo's automaking arm.

Amid strong hints from France that the state is preparing to privatize Renault, speculation has grown that a full-scale merger of the two companies' vehicle-making interests is imminent.

Volvo AB has a 20 percent stake in Renault, with an option to buy a further 5 percent, and it owns 45 percent of Renault's truck division. Renault has an 8.25 percent stake in Volvo AB, the

GATT's Dunkel Fires Parting Shot At 'Managed Trade'

by Robert L. Kroon

GENEVA — Arthur Dunkel, who bows out Thursday as director-general of the General Agreement on Tariffs and Trade on July 1, warned Tuesday that while "GATT is thriving, the Uruguay Round is still poised precariously at the brink of final success."

Mr. Dunkel called protectionism — "or, to give it its modern and 'managed trade' name — one of the main threats to multilateral trade reform.

Looking back at the forums and misfortunes of the General Agreement on Tariffs and Trade over the past year, Mr. Dunkel said "it is tempting to see 1992 as the year of lost opportunity and 1993 as the year of the last chance." But he said he still believed the seven-year-old Uruguay Round could be brought to a successful conclusion.

"I believe a deal can, and should be done before the end of this year," Mr. Dunkel assumed the office in 1980 and accepted an extension in 1990 in the hope that the Uruguay Round talks could be wound up in a matter of months. But Mr. Dunkel recently admitted that several opportunities have been lost since.

"Rightly or wrongly, the political winds were never quite right, they were blowing in the same direction for everyone. While the major industrial countries vainly tried to find a politically acceptable point, the rest of the world had to wait with increasing frustration. There will always be reasons to give it just a few more months, but there is probably never an ideal time to make such a deal."

Mr. Dunkel's compromise plan of December 1991 is still consid-

Investor's Europe

Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	112.20	112.70	-0.44
Brussels	Stock Index	6,519.81	6,475.84	+0.68
Frankfurt	DAX	1,708.33	1,707.20	+0.07
Frankfurt	FAZ	661.07	661.39	-0.05
Helsinki	HEX	1,161.88	1,138.05	+2.02
London	Financial Times 30	2,263.20	2,268.50	-0.23
London	FTSE 100	2,886.00	2,897.00	-0.38
Madrid	General Index	258.54	258.18	-0.24
Milan	MB	1,184.00	1,181.00	-0.59
Paris	CAC 40	1,977.50	1,980.95	-0.68
Stockholm	Affarsveeriden	1,318.73	1,323.62	-0.29
Vienna	Stock Index	378.03	378.77	-0.20
Zurich	SBS	810.30	809.80	+0.05

Very briefly:

- France said that business bankruptcies had risen a seasonally adjusted 55 percent in May from a year earlier and that 3.2 percent of all companies that were in existence in January 1992 have failed.
- United Newspapers PLC of Britain said it planned to raise £190 million (\$283.8 million) by selling new shares to existing shareholders on a one-for-five basis.
- Deutsche Terminals, Germany's futures and options exchange, said its net profit in 1992 sank to 7.4 million Deutsche marks (\$4.3 million) from 14.1 million DM a year earlier.
- Cie. Générale des Eaux SA said its sales, which have risen steadily for five years, would be little changed in 1993.
- Carlsberg A/S said a consortium of Western companies led by Total SA of France was the candidate most likely to acquire a 49 percent stake being offered in the country's oil refineries.
- Britain's nuclear power industry announced 3,200 job losses and said the decision was a "direct result" of a government plan to hold new public consultations about constructing the Sellafield nuclear processing plant.

France Mulls Tax Reductions

PARIS — Frustrated by its limited maneuvering room for pulling up the economy with lower interest rates, France's conservative government hinted on Tuesday that tax cuts were under consideration.

Prime Minister Edouard Balladur said in a radio interview that he was studying a reduction in the income tax. "It is not impossible," he added.

Tax cuts could help stimulate consumer demand, which has been weak for several months. The government recently announced an increase in a direct social security levy on income, which analysts said ran the risk of depressing consumer spending.

Since it came to power in March, Mr. Balladur's government has relied on interest rates, which it has cut nine times, to crank up economic growth and tackle unemployment. After bringing short-term rates

Wallenbergs Sell ASEA Stake

STOCKHOLM — Investor AB, the flagship of the Wallenberg family's empire, said Tuesday that it had sold all its 6.56 million shares in the ASEA AB engineering conglomerate for 2.94 billion kronor (\$371 million) to Swedish and international investors.

Investor, seeking to reduce debt, made a capital gain of 950 million kronor. The company will retain an indirect interest in ASEA through the Incentive AB company, 34.1 percent held by the Wallenbergs, which holds 32.9 percent of ASEA's voting rights.

The sale price was 422 kronor a share. ASEA's B-class shares for foreigners, which closed at 451 kronor on Monday, fell 22 kronor Tuesday.

ASEA's businesses are entirely subsumed in ASEA Brown Boveri Ltd., the Zurich-based power generation and transmission group.

TO OUR READERS IN VIENNA

You can receive the IHT hand delivered to your home or office on the day of publication. Please contact: Mr. Giay - Tel.: 940611.210

EDITION: Publishers Bid to Translate Books

Continued from Page 15

every seventh one was a translation; two thirds of the translations were from English. The country's current best-selling fiction list includes several authors and titles familiar to English readers: John Grisham's "The Firm," Stephen King's "Dolores Claiborne" and Rosamunde Pilcher's "The Shell Seekers."

But perhaps the most curious case is the book at the top of the list, "Shaman" by Noah Gordon. The American writer's first book, "The Physician," published by Simon & Schuster in 1986, sold only half its original 35,000 print run. The Munich publisher Drömer Knauer had, however, been impressed by the tale of a wandering doctor in the middle ages and bought the German rights. "The Physician" climbed to the top of Germany's best-seller list, selling three million copies. Mr. Gordon's German triumph led to translations into other European languages and new editions in English, although the writer remains relatively unknown to American readers.

The case is not as isolated one. They are range from the mystery writer Patricia Highsmith to the New York intellectual Harold Brodkey.

While some of the stories of fame and fortune can be attributed to quirks of German taste, in most cases, foreign authors' successes, both great and small, are due to Germany's book publishing and distribution system as well as to readers' eccentricities.

"The Germans are still a book reading people," Mr. Heumann said. Germans spend 130 DM per capita annually on books, more than double what Americans pay and 40 percent more than the British.

EBRD Search in High Gear

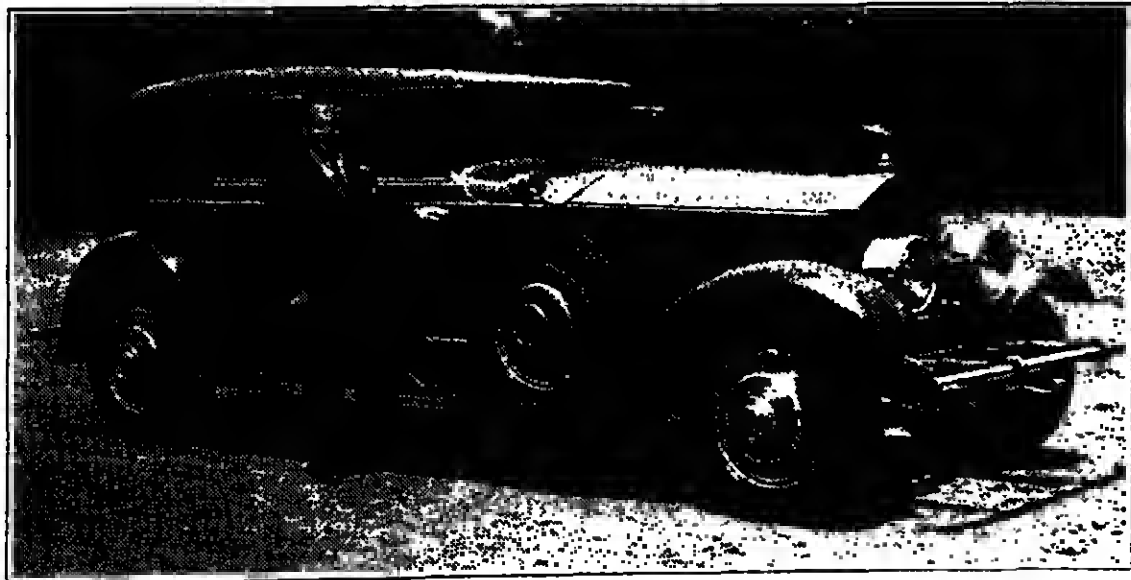
STOCKHOLM — Finance Minister Anne Wibble of Sweden, who chairs the board of the European Bank for Reconstruction and Development, will meet senior colleagues on the board soon to discuss selection of a new president for the bank, an official of her ministry said Tuesday.

Jacques Attali resigned as president last Friday, citing negative press commentary about him in recent months which he said was starting to have a detrimental effect on the bank's work.

Henning Christophersen of Denmark, the European Community economics commissioner, said Tuesday he was interested in the presidency of the bank. "If a sufficiently big number of countries support my candidacy, I would indeed be interested in standing," he said.

Jacques de Larosière, the French central bank governor, is believed to be among the other leading candidates.

H. Otto Ruding, the former Dutch finance minister and now a director and full-time employee of Citicorp, said Tuesday he would not accept the job.



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WORLD GOLD COUNCIL

Chips: An Effluent Society Cleans Up

Bloomberg Business News
YOKKAICHI, Japan — Looking at the clean architectural lines of the new semiconductor plant built by Toshiba Corp. — not to mention the goldfish that swim in its effluent — you would hardly imagine that making computer chips is a dirty business.

Companies like Toshiba are having to come up with more and more cash to deal with the hazardous byproducts. It was estimated in California that even if the companies in Silicon Valley entirely stopped the release of chemicals into the air and ground, their fight against pollution would continue for decades. It will take that long up to clean up after 30 years of chipmaking.

Almost 10 percent of the 100 billion yen (\$917 million) invested here went to harness industrial byproducts that include arsenic, sulfuric acid and hydrochloric acid.

"Environmental protection measures are a real financial burden," said the plant's general manager, Toshio Mitsuno. Here amid the fields and low hills of central Japan, Mr. Mitsuno shows visitors the plant's process for removing toxic chemicals from water that rinses silicon chips. Progressing from chocolate brown, the effluent moves through three processing tanks before finally emerging clear.

Goldfish swim in the pool where the processed effluent is stored before it passes through a final check and is released into a local stream. A computer-controlled system for checking groundwater pollution operates around the clock.

Toshiba faced a particularly tough task in Yokkaichi, which had been called the birthplace of pollution in Japan. After heavy environmental damage from factories in the 1960s and 1970s, residents were quick to voice opposition.

Toshiba spent heavily on developing pollution controls, expecting strict environmental laws.

Analysts estimate the investment required to produce the current 16-megabit storage chip is around 120 billion yen per plant, compared with the 55-billion yen to produce the basic 1-megabit chip.

These environmental costs are a major factor behind the increasing number of alliances among chipmakers. Toshiba joined Siemens AG and International Business Machines Corp. in development of 256-megabit chips. Hitachi Ltd. is working with Texas Instruments Inc. and NEC Corp. and American Telephone & Telegraph Co. are pooling resources.

Seoul Reform Turns to Fiscal Sector

Compiled by Our Staff From Dispatches
SEOUL — South Korea announced a sweeping plan to open its financial sector to foreigners by 1997, part of a five-year plan designed to expose segments of the economy ranging from bond trading to bookkeeping to the free market.

By 1997, South Korea plans to have deregulated most interest rates, removed the government from banking, liberalized its foreign-exchange system and capital markets and lifted direct controls on money supply and capital flows.

A strong bureaucratic hand at the tiller served South Korea well as it pulled itself from the ruins of the 1950-53 Korean War to emerge as an industrial powerhouse. The economy, however, has grown too large and complex for the civil service to orchestrate, government officials said. Unstated was the fact that Seoul's trading partners had asserted strong pressure for the implementation of reforms.

The assistant finance minister, Lim Chang Yuel, said the plan is designed to make South Korea's financial sector as open as its manufacturing. He said the move also is intended to help Seoul join the Organization of Economic Cooperation and Development by the late 1990s.

Regulations on foreign-exchange transactions and positions will be eased next month. Companies will be allowed to hold up to \$300 million in foreign-currency deposits without presenting underlying documents. The current limit is \$200 million. Documentation for foreign-exchange forward transactions will be extended to 45 days.

A ceiling on foreign stock investment in companies with more than 50 percent of foreign ownership will be lifted with the agreement of the companies after Aug. 1. Beginning in October, local institutional investors will be allowed to invest up to \$200 million in overseas securities. Also starting in October, the limit on daily interbank foreign exchange rate fluctuations will be raised from 0.8 percent to 1 percent above or below the previous day's market average rate.

The limit on daily rate fluctuations will gradually be expanded to introduce a free-floating foreign-exchange rate system during 1996 and 1997. Regulations on foreign-exchange transactions and positions will be eased to establish an international market here by 1997.

Government allocations of credit under the old system resulted in a distorted and stunted banking system and contributed to the blunting of South Korea's competitive edge, bankers said. Lacking competition, sure of a safety net and conditioned to instructions on lending had resulted in worrisome rates of nonperforming loans, they said. Such factors had contributed to a dislocation of credit flows to the benefit of the large conglomerates, or *chaebol*.

In 1995, international organizations will be allowed to issue won-denominated bonds in the

domestic market. In the same year, foreign investment in bond-type beneficiary certificates will be allowed.

In 1997, foreigners will be permitted to make direct investment in long-term and non-guaranteed bonds of small and medium-sized companies.

The plan calls for a gradual increase in the current 10 percent ceiling on foreign stock investment in a single Korean company, but it fails to offer a concrete timetable. Foreign brokers here have complained about the ceiling, saying most blue-chip companies have already reached the limit set for foreign investors.

Mr. Lim said that a sudden increase in the ceiling would cause an influx of foreign capital that would threaten the country's monetary stability.

He said about \$500 million of foreign funds are brought in South Korea every month for stock investment, showing that foreigners are still interested in the Korean bourse.

After studying the effects of liberalization on economies such as Australia and Chile, Seoul decided to embrace the principles, but move cautiously. Skeptics regard the hesitant approach as an indication that liberalization has opposition within the government.

A government planner, who declined to be named, likened sudden deregulation to pulling a loose thread only to see the whole garment unravel. (Reuters, Bloomberg)

Investor's Asia	
Hong Kong	7,140.00
Shanghai	1,783.00
Singapore	1,716.00
Tokyo	720.00
Korea	681.50
Malaysia	784.20
Philippines	404.00
Thailand	1,556.00
Indonesia	1,687.00
Colombia	1,014.00

Tokyo's Grim News on Jobs and Output

Compiled by Our Staff From Dispatches
TOKYO — Hopes for economic recovery in Japan were dampened Tuesday when government agencies released statistics showing unemployment was rising while industrial output was on the decline.

Japan's Management and Coordination Agency said unemployment in May reached 2.5 percent, up from 2.3 percent in April. The May level is the highest since September 1988.

"The situation is looking severe," an agency official said.

The Ministry of International Trade and Industry reported separately that industrial output during May declined by 4 percent from a year earlier, bringing output to its lowest level since the economy entered a slump two years ago.

"Demand was down in May, and, as a result, production also declined," said Koichi Yoshimoto, an official in the ministry's research department.

Almost all Japanese industries reported a decline in output in May, with only steelmakers charting an increase because of an increase in exports to China.

Mr. Yoshimoto said that in year-on-year terms, industrial output has fallen for 20 consecutive months, the longest period of decline since a recession in Japan in 1974 and 1975.

Production fell by 2.3 percent in May from April. While the data showed companies forecast a month-on-month increase of 1.6 percent in June, officials were not enthusiastic.

"Even if companies meet that growth forecast, it will only mean a recovery to April output levels," Mr. Yoshimoto said. "This is clearly not a positive sign."

Private economists agreed with the government assessment. They pointed to a 0.5 percent increase in excess inventories, after six straight months of declines, as particularly disturbing.

"The fact that there was a rise in inventories, despite a cut in production, does not bode well for the production outlook in June," Geoffrey Barker, senior economist at Baring Securities in Tokyo, said in a report.

Japan's Labor Ministry had its share of bad news to release. The ministry said its ratio of job openings to job seekers fell to 0.81 in May, down from 0.84 in April. That means there were 81 jobs for every 100 applicants in May, four less than the month before, and far lower than the 146 per 100 of March 1991.

The number of jobless rose in May by 160,000 from a year earlier to 65.27 million.

"Japan is actively downsizing its labor force, responding to profit declines and a lackluster growth outlook," said Jasper Koll, an economist at S.G. Warburg Securities.

"Consumption will not recover, as many people expect, if hiring is slow," said Hidehiro Iwaki, senior economist at Nomura Research Institute Ltd.

A recent survey by the Labor Ministry found many manufacturers had a labor surplus for the first time in about six years.

The survey also found the number of companies planning to increase their intake of college and high school graduates in 1994 was down 10 percent from a year ago.

Mitsubishi Motors Corp. said on Monday it would hire fewer graduates next year because of sluggish business caused by the prolonged economic slowdown.

Japan's unemployment rate hit a record high of 3.1 percent in 1987 as a result of a recession caused in part by the yen's sharp rise then, making Japanese exports more expensive. (Bloomberg, Reuters)

- Very briefly:**
- Nissan Motor Co. and Mazda Motor Corp. announced corporate reorganizations that aim to cut costs and improve efficiency. Nissan will combine its product and marketing group with research and development in a new division. Mazda said a new board of innovation would look for ways to restructure product lines and reduce its work force.
 - U.S. cars, worth about \$160 million, will be sold to the public in China in August, an official newspaper said. More than 14,000 cars, purchased abroad by a government delegation, in the past were allocated to state enterprises and would not have been available to the public.
 - Hong Kong reported that its trade deficit widened to 24 billion Hong Kong dollars (\$3.1 billion) in the first five months of this year, up from 22 billion dollars in the same period of last year.
 - Ricoh Co. will transfer production of mid-speed copy machines to its plant in China to cope with the yen's rise, the Jiji Press agency reported. The transfer to a plant in Shenzhen will be complete in 1995, Jiji said.
 - South Korea had this year's first monthly surplus, of \$240 million, in its current account in May, helped by brisk exports, the Bank of Korea said. A year earlier, the current account registered a deficit of \$310 million. Seoul also reported that its industrial output rose a slim 1.1 percent in May from a year earlier, when production had posted a 5.4 percent rise.
 - BHP Petroleum said the Dai Hung oil field offshore Vietnam is expected to produce 50,000 barrels of oil a day when it begins operations in about one year. Production, which is slated to rise to 220,000 barrels.
 - China's national government is expected to hit 15 percent this year and break 20 percent in large cities, Chinese Cabinet economists wrote in the Economic Information Daily. (AFX, AFP, Bloomberg, AP, Reuters)



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News Corp. Delays Asia Deal

Compiled by Our Staff From Dispatches
HONG KONG — News Corp. said Tuesday it was temporarily dropping its request for permission to buy 22 percent of a leading Hong Kong television company and wants to reconsider the offer.

Rupert Murdoch's attempt to buy into Television Broadcasts Ltd. had been seen as the media magnate's long-awaited plunge into the burgeoning Asian TV market. But from the outset it faced the hurdle of the Hong Kong government's restrictions on media ownership. Members of Hong Kong's legislature raised the issue on Monday and reportedly were told the government planned to toughen the restrictions.

In the United States, meanwhile, lawyers for Mr. Murdoch suggested that he might close The New York Post within days if he does not get the regulatory approval he is seeking from the Federal Communications Commission.

Like U.S. authorities, legislators in Hong Kong have expressed concern that Mr. Murdoch, who already controls Hong Kong's leading English-language newspaper, the South China Morning Post, and the Chinese language Wah Kiu Yat Po, wants to take a major stake in the leading television station.

A foreign owner cannot buy more than 10 percent of a Hong Kong TV company unless the colony's Broadcasting Authority approves. For a broadcaster to own more than 15 percent, government approval is needed.

But an executive of TVB stressed that the News Corp. move was only temporary. "News Corp is very deliberate. They are trying to make the proposals more detailed. They are playing it safe." Alfred Ng, deputy general manager at TVB.

Mr. Murdoch's satellite broadcasting expertise and TVB's experience in producing Chinese-language drama and entertainment would prove a potent force, particularly in the huge mainland China market. TVB also has a large archive of popular Chinese language films.

But China, which regards the British colony as a strategic asset, hints that it is not happy either.

The Beijing-controlled China News Service reported on Monday that the Chinese government is quoting media analysts as expressing concern about the consequences of Mr. Murdoch's foray into TVB.

To back up the latest decision, Mr. Murdoch's lawyers said the New York Post is seeking regulatory approval to discuss taking the company over. Mr. Murdoch's management agreement with the bankruptcy court expires "this day."

His lawyer in Washington gave a strong indication that the publisher would close the paper quickly if the FCC does not move soon to waive a rule that bars a single company from owning both a television station and a newspaper in the same city. (AP, Bloomberg, Reuters, NYT)

Chinese Tap U.S. For Funds

Bloomberg Business News
HONG KONG — The planned New York listing of China Tire Holdings will be just the beginning of efforts by Chinese companies to tap U.S. capital, the head of China Strategic Investment said Tuesday.

The U.S. is the biggest capital market in the world and China is the largest underdeveloped country. We think we should find the two," Oei Hong Seong, chairman of the Hong Kong investment company said at a news conference.

China Strategic said June 24 it would list its Chinese tire-making subsidiary, China Tire Holdings, on the New York Stock Exchange through a sale of 6.1 million shares that is expected to raise \$85 million.

It is expected to be the third Chinese company to list in New York. Brilliance China Automotive listed in October, and a Hong Kong concern, C.P. Polyphand Co., has announced plans to list its Chinese motorcycle subsidiary.

"We think that the U.S. is going to be China's key export market in the future and we're going to take advantage of that," Mr. Oei said. The China Tire offer "is only the beginning."

He said CSI was also looking at the potential for issuing shares in its paper and pulp mill in Ningbo, a brewery in Quanzhou and a chemical production plant in Shanghai.

Steve MacNamee of the Martin Partners brokerage said Mr. Oei's announcement was expected.

"He's said he would list his China companies overseas all along. The prospectus for the tire company is going to be really important. Investors are going to look at that and apply it to CSI's other consumer products. It's a big test for people who are still skeptical about what he's doing."

ALCATEL ALSTHOM

Joint Ordinary and Extraordinary Shareholders' Meeting June 24, 1993

Pierre Suard, reconfirmed as chairman and chief executive officer of Alcatel Alsthom for the next six years, expressed optimism on the future of the group, on its opportunities for development, its worldwide expansion, and gave his opinion on the current economic crisis, during the shareholders' annual general meeting.

Alcatel Alsthom raises its dividend by 7%

Mr. Suard said that most countries are experiencing a recession, particularly in Europe. He noted that when he said this last January he was "a bit isolated", and he believes that the crisis was played down for many months.

Mr. Suard continued: "Today, everybody is aware and this late awareness leads people to think that the crisis will continue to worsen. I do not think it will. It seems to me that the situation has stabilized in France after a very bad 1992 second half and 1993 first quarter. Now we can profit from an interest rate which has gone down 3 points. In the USA and the UK, there are signs of a recovery, and activities are buoyant in many countries in Asia". Mr. Suard said that people should not let themselves be influenced by the pessimism, and to be wary of the out-of-step economic image given by usual indicators or forecasts.

Among the many opportunities that Alcatel Alsthom must seize, Mr. Suard stressed the necessity of encouraging expansion and innovation by its principal clients. "They are", he said, "confronted with fundamental change signified by deregulation and privatization. These are events which we have experienced ourselves, and our experience could be useful to them".

Lastly, Mr. Suard emphasized the group's new technologies which will rapidly evolve during the next few years. This is particularly so in the field of transmission where Alcatel has doubled its share of the world market in two years (over 20% in 1992), GSM mobile telephony in which the group occupies the number two position worldwide for GSM infrastructure, and also with rail transport - the oev generation TGV, with a commercial speed of 350 km/h, which will compete more and more with air travel.

After the presentation of the 1992 fiscal year, which resulted in a net consolidated group profit of FF 7.1 billion compared with FF 6.2 billion in 1991, the meeting approved the accounts for fiscal year 1992, and adopted all the proposed resolutions.

A dividend of FF 14.50, compared to FF 13.50 for 1991 was also approved, plus a tax credit of FF 7.25, applicable to all 135.5 million outstanding shares as of January 1, 1992. The record date, or "ex-dividend" date, is June 25, 1993 and payment of the dividend July 30, 1993. Shareholders will have the possibility of payment either in cash or additional shares of the company, at a price of FF 561. These shares will become effective as of January 1, 1993. This option may be exercised up until July 23, 1993.

The meeting re-elected to the board Guy Dejouany, Jean Marmignon, Cesare Romiti, and Pierre Suard, and also ratified the co-option of Jacques Ronze to the board.

At the end of the meeting, the board renewed its confidence in Mr. Suard by confirming him as chairman and chief executive officer.

Alcatel Alsthom contact:
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High-Tech Olympics Display a Heart of Gold

The billion-dollar International Exposition '93 at the Taedok Science Complex on the outskirts of Taejon in central South Korea will be the largest science festival of the century.

The first official International Bureau of Expositions event to be hosted by a developing country

Some 10 million visitors expected

promises to be the most high-tech ever. The "Olympics of Economy, Science and Culture," South Korea's first major international event since the 1988 Olympics, has attracted more participat-

ing countries than any other specialized exposition in history.

From Aug. 7 to Nov. 7 this year, more than 110 nations and 20 international organizations will display their most advanced technology. Taking as its theme "The Challenge of a New Road to Development," the global festival will explore ways to harmonize modern science and traditional technologies.

people, including a half-million foreign visitors, will pass through the gates of the site, about two hours south of Seoul.

Major South Korean and international companies are making substantial investments to stage impressive displays. With its imaginative, futuristic pavilions, the 900,000-square-meter site resembles a set for science-fiction movies. The exposition area is divided into three sections: an International Display for participating nations, a Science Park for South Korean public institutions and major corporations, and an outdoor section for events and performances. More than 50 celebrations and

special events will be staged, including cultural and art festivals, national-day celebrations and technology shows.

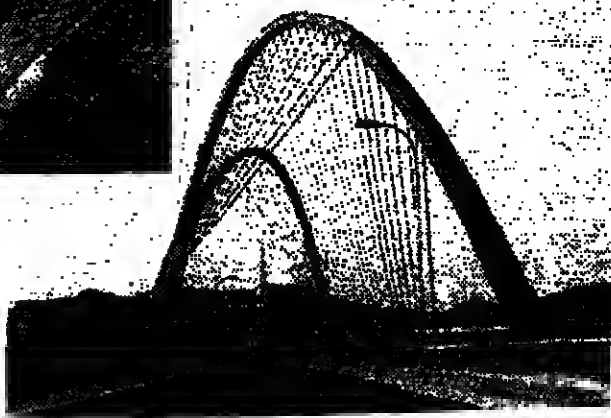
Major events include a display of South Korean conglomerate Hyundai's magnetic-levitation train and the country's first 32-inch high-definition television set, jointly assembled by corporations and scientific and academic institutes. South Korea will launch its first scientific and communications satellite during the exposition. A scale model will be exhibited on the site. Electric vehicles, solar-powered cars, a solar-powered, turtle-shaped boat and a remote-controlled, unmanned aircraft monitoring

visitor movement will all be featured. Performing robots will entertain visitors, and robotic teams from 10 countries—including the United States, France, Japan, Singapore and South Korea—will participate in an International Robot Contest.

Hyundai's introduction of its magnetically levitated train will be a major event. The train is expected to carry some 230,000 passengers over a 560-meter track at 50 kilometers per hour. During normal operation, the new high-tech train—manufactured by Hyundai Precision—will run at speeds of up to 150 kilometers per hour. The company views the exposition as a launch-



Major attractions at Taejon Expo '93: Hyundai's new high-tech train and futuristic international pavilions.



pad to commercial operation.

The four-floor Lucky-Goldstar Technopia Pavilion takes as its theme "Pursuing Our Dreams with All Our Heart." The pavilion will demonstrate future uses of computers as well as electronic and computer technology "with a human heart."

Visitors can operate advanced computers and other electronic devices related to everyday life. The exhibit will include a virtual-reality display, robot shows and HDTV.

"Humanity's Love for the Earth" is the theme at the Ssangyong Group's Earthscape Pavilion, which has one floor underground and three above. The story of evolution through 4 billion years of

the earth's history, stunning natural scenery and exotic plants and animals will be displayed on a dramatic IMAX screen. The dangers of environmental destruction, man's efforts to restore the environment and the importance of the earth will all be stressed.

Other innovative exhibitions include a Tower of Great Light, a Starquest Pavilion, an Imagination Pavilion and a Sky Dream Pavilion.

The Taejon International Exposition Organizing

Committee expects that returns will exceed the \$1 billion budgeted for the exposition. The Korea Institute of Economy and Technology estimates that the fair will create 217,000 jobs and earn some \$1.7 billion in domestic income.

In addition, South Korea will have a lasting legacy from Taejon Expo '93. After the fair is over, the grounds will be maintained as the largest science complex in the Orient.

Garry Marchant

Change Your Curve by Shaking Hands with Ssangyong



Based on its total reliability since its founding in 1939, Ssangyong has grown into a global enterprise with total annual sales of US\$ 14.2 billion in 1992. And Ssangyong's curve continues to soar impressively.

This is reflected in its outstanding results, including trade relations with over 120 nations, a domestic leader in international brokerage commissions, and the completion of over 7,000 deluxe hotel guest rooms around the world.

Furthermore, our partners, Mercedes-Benz of Germany in a capital and technical cooperation project and Saudi Aramco of Saudi Arabia in a capital venture, can tell you about how we are doing.

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The South Woos the North

Unlike South Korea, which has become a major economic power in Asia, North Korea's economy has remained largely agricultural. Today, the south is court- ing its neighbor with increased cross-border trade.

The Berlin Wall has come down. Communism has collapsed in Eastern Europe. The Soviet Union is no more, and the Cold War is well and truly over. No one seems to have told this, however, to the hard-line leader of North Korea, Kim Il Sung, who has ruled the north with an iron hand since 1945.

At the close of World War II, Korea, which had been a colony of Japan, was occupied by Soviet forces in the northern half of the peninsula and by the American

When neither side could agree on who should rule the new nation, Korea was divided by the United Nations along the 38th parallel.

North Korea's chairman, Mr. Kim, launched an attack on South Korea in June 1950. This led to three years of civil war and the near-total devastation of both the south and the north, as well as to a mutual mistrust that persists to this day.

Until the implosion of the Soviet Union, Mr. Kim's cloistered north was armed and supported economically by both China and the Soviet Union. Since 1990, however, North Korea has become increasingly isolated from its patrons, particularly Russia, which once accounted for 50 percent of total North Korean trade but today prefers to deal with the south.

Now in his 80th year, Mr. Kim is said to have handed some control of the nation and its 22 million people to his sole son and heir, Kim Jong Il, of whom little is known.

Considered a bad debtor in the West and

cut off from its former Soviet allies, the north is believed to have a dangerously fragile economy, with alarming reports of famine outside the capital of Pyongyang.

More worrying to South Korea is the north's apparent attempts to build nuclear weapons. After months of tense negotiation, however, North Korea tentatively agreed this month to abide by the UN's Non-Proliferation Treaty.

In exchange for staying in the nuclear treaty and perhaps allowing UN inspection of its nuclear facilities, North Korea is demanding better relations with the United States and the end of regular U.S.-South Korean military exercises. The north has also hinted that it would encourage low-interest loans from the south, which it is now unable to secure from any other source due to its history of defaulting on debts.

For its part, South Korea's new administration, under President Kim Young Sam, hopes to woo the north's good will with the offer of increased cross-border trade, if not outright aid.

A precedent has already been set. Although cross-border trade between the north and south totaled less than \$1 million in 1988, by the first eight months of 1991, it had reached \$124 million, effectively making South Korea one of the north's major trading partners. Optimists in Seoul say that that is only the thin edge of the wedge that will eventually woo North Korea away from its past ways.

S.K.

The north wants better relations with America

Industry Is Back on Track

Continued from page 19

Korea's high-tech industries—such as electronics, computers and high-quality consumer goods—the recession has taught a valuable lesson: If South Korea's key industries are to continue to compete against its rivals in Japan, Europe and North America, and stay ahead of Southeast Asia's up-and-coming economies, they must be willing to quickly upgrade and heavily reinvest in their own facilities.

South Korea's dynamic new president, Kim Young Sam, has outlined an ambitious five-year reform plan aimed at completely deregulating the overly regulated economy.

Mr. Kim is also pressing the nation's big chaebols to rapidly move away from their current practice of wide diversification by shedding low-profit subsidiaries; the government wants the chaebols to focus their efforts and finances so as to intensely nurture a few key strategic industries and develop them into world-class enterprises.

Political pressure from the Blue House (South Korea's version of the White House) has already produced results. In 1992, South Korean companies' investments in research

and development grew by the smallest rate in years; the combined R&D investments by 344 companies on the stock exchange remained at \$1.77 billion, or a mere 1.05 percent of their total sales force.

This year, however, South Korea's Federation of Korean Industries says the nation's 30 largest business groups have seen the light—and probably felt the political heat. They are now planning to invest \$19.4 billion to expand their production facilities, a 20-percent increase over last year's investment.

Hyundai, South Korea's largest group, has taken an early lead by putting out a total of 2.1 trillion won (\$2.6 billion) to facility expansion; the bulk of its increased investment will focus on its two primary products, automobiles and semiconductors.

The Lucky-Goldstar group has earmarked 1.56 trillion won to be reinvested in its facilities, while the Daewoo Group will lay out 870 billion won for the same purpose. Daewoo, best known as South Korea's main automaker, will liquidate its helicopter-making division, Daewoo Sikorsky Aerospace, by the end of the year. South Korea's car exports earned the nation some \$3 billion in 1992.

Samsung, the country's largest family-managed conglomerate, had a turnover of \$49 billion last year.

It is also streamlining and will sell off 10 affiliated companies and merge four others.

Pohang Steel, the world's second-largest steel maker, will also sell off six subsidiaries and merge 13 others to fall in line with new national philosophy that less is more.

Mr. Kim is taking carefully considered steps to move South Korea's economy away from its former boom-and-bust cycles to a smoother, more stable economic plateau, with a more manageable rhythm for the long term.

While careful not to promise a quick return to the heady days of the 1980s, when double-digit growth carried South Korea to economic glory, Mr. Kim and his young administration are determined to reach a respectable 7 percent to 8 percent annual growth rate within his five-year term. This would effectively double the present per capita income from \$6,700 to \$15,000, placing the 40 million hard-working people of South Korea on a par with the world's most prosperous nations.

S.K.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. Steven Knipp is an American writer based in Hong Kong who covers Asia for a wide range of regional and international publications. Garry Marchant is a Hong Kong-based journalist who specializes in Asian political, financial and travel affairs.

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Holidays With the Once and Nevermore Hermit

Once known as the Hermit Kingdom for its exclusion of foreigners, South Korea is now welcoming the world.

In a major effort to increase faltering tourism, the South Korean government has named 1994 "Visit Korea Year." The campaign's slogan is "Korea, a journey to endless fascination."

The North Asian nation hopes to capitalize on the interest generated by the Taejeon Expo '93. The exposition, to be held from Aug. 7 to Nov. 7, is expected to attract a half-million overseas visitors.

The government expects Visit Korea Year to be "a turning point for tourism recovery," says Lee Chwan, director general of the tourism bureau of the Ministry of Transportation.

During Visit Korea Year, the government hopes to receive 4.5 million foreign tourists, up from 3.23 million last year. In addition to planning and administering various events, the Korea National Tourism Corporation will launch a major domestic and international promotional campaign. Government delegations will visit

12 major cities in Japan, the United States and Southeast Asia to promote South Korea's largest-ever tourism event.

Throughout 1994, Seoul will host numerous international events, including several that are tourism-related. The Pacific Asia Travel Association, which represents the region's tourism industry, will hold all four of its main events in Seoul in April. The Annual Conference, Travel Mart, World Chapters Congress and Marketing Meeting are expected to attract 3,500 participants from more than 70 countries.

The Korea World Travel Fair in Seoul in September will feature tourism exhibitions, international folk performances, displays of local products and seminars. Such seasonal events as a snow sculpture contest, a ski show, flower festivals, a seaside festival and a fall-foliage festival will be held across the country.

South Korea's tourism

facilities will be improved to meet the expected increase of visitors. To solve the accommodation shortage for visitors to Expo '93, the government has expanded existing facilities and built new hotels. For Visit Korea Year, some 17,000 new hotel rooms will be built, especially in Seoul and on Cheju Island, where there is a shortage of adequate accommodation.

In an attempt to encourage tourists to look beyond the capital, beach and mountain resorts will be highlighted. The country's principal beach resorts are close to the southern port city of Pusan or on Cheju Island, noted for its mountain scenery, fishing villages and female pearl divers. At the Pyoson folk village, 19th-century island lifestyles have been revived.

A year-round leisure, recreation and sports resort is under construction at Chungmun in Cheju. The project, near the island capital of Seogwipo, has been designed to maintain Cheju's traditional art and architecture in natural surroundings. Seventy-five percent of the project will

be complete by 1994, and the resort is scheduled to be fully operational by 2001. Hotels, condominiums, an aquarium, a Korea pavilion and an observation post are already open to the public. A fishing village, shopping district and family hotels are nearing completion.

On April 1, the KNTC opened a Tourist Center in the complex. Built in the unique Chejudo thatched-house style, the center is equipped with computers providing tourist information. Several large resort hotels, including the recently opened Cheju Shilla, are also finished or under construction.

South Korea's principal

cultural center is Kyongju, the ancient capital of the Shilla kingdom in the southeast. Nearby Bomun Lake is the country's chief inland resort, with three international-standard hotels (including a new Hilton), a convention center with a seating capacity of 900 and a variety of land and lake activities.

With more than 20 national parks and a growing number of ski resorts, South Korea is in a strong position to benefit from a growing interest in winter sports, prompted in part by the Japanese Winter Olympics in 2000.

Beginning next year, skiing will be even more convenient, with slopes



Tourist draws include well-equipped ski resorts like Yong Pyeong.

opening at Mount Paek-pongsan, 90 minutes outside Seoul.

The new ski resort, the closest to the city, will have seven slopes, five high-speed lifts and rental equipment.

South Korea's principal ski resorts are Yong Pyeong and Muju; the latter claims to be Asia's largest resort, with accommodation for 10,000. With its 38 ski slopes and a developing bobsled

course, ice rink and other winter-sports facilities, Muju hopes to attract a future Winter Olympics.

Yong Pyeong was designed as a year-round resort with two golf courses and, like Muju, floodlit night skiing.

With these growing recreational facilities, South Koreans are optimistic about the future of tourism. Visit Korea Year is seen as a springboard for launching the country into the ranks of the world's 10 largest tourist destinations by the year 2000. Mr. Lee predicts that the nation will receive 7 million overseas visitors, with tourism earnings of \$10 billion, by 1997. In the 1990s, the Hermit Kingdom has become a host.

Garry Marchant

Stocks Are Bouncing Back

After spending most of early 1993 in the doldrums, in mid-June the Seoul stock market surged to a high not seen since late 1990.

According to Kim Duck-sun of Hyundai Securities in Seoul, money flowing into the market came mainly from individual and foreign investors, who were the major net buyers. This greatly contributed to the bullish run, which is expected to continue throughout the summer.

Coryo Securities' Kim Ki-hong says: "I fully expect the Seoul market to reach the 800 level within this month, with steady gains thereafter."

Hyundai Securities' manager in Hong Kong, S.H. Kim, agrees that the bullish run is likely to continue. "The overall sentiment is improving dramatically," says Mr. Kim. "The buyers are returning to the market. They are taking up the market leader." Mr. Kim doubts, however, whether foreign investors will wade back into the Seoul market this year. "The present problem in Korea is one of money supply, so the market is tight," he says. "Overseas bond issues are being restricted, and I don't think that there will be any major increases of foreign investors in the Korean market in 1993 - perhaps by early next year."

Other money men watching South Korea say that foreign investment in the Seoul stock market may soon reach the 10-percent limit imposed by law. According to Philip Smiley in the Seoul office of

Hong Kong broker Jardine Fleming, the revaluation of the yen has made South Korean exports more competitive, and South Korea's resumption of diplomatic relations with China will also mean a huge increase in business.

On President Kim Young Sam's plans to restructure the chaebols, Hyundai Securities' Mr. Kim says that "the president is maintaining a quite tough stance with the chaebols. They are feeling the heat, and they are being induced to streamline their businesses."

"In the near-term, it will certainly strengthen the overall economy, and that is good for the market. The internal shareholdership in the chaebols is very high - as high as 40 percent on average."

As for taxation, S.H. Kim does not expect full induction until 1995, but "the government could react sooner, depending on the mood of the economy. Currently, market support is very widespread. But the money market is of some concern - we are expecting a credit crunch in the middle of this month because corporate demand for credit is picking up, yet the money supply is restricted. These days, we are seeing short-term and long-term yields edging up." S.K.

'Overall sentiment is improving dramatically'

Prosperity and Democracy

Continued from page 19

and improve research and development standards so as to enable the nation to compete with the advanced economies of Europe and North America, the government will also offer tax incentives to foreign companies involved in high technology.

To more evenly spread South Korea's internal domestic wealth throughout the economy, the new administration has also boldly taken on the country's massive chaebols, or corporations, which have traditionally dominated the national economy. The government has encouraged the chaebols to go public by opening their subsidiaries to public purchase, and it plans to place restrictions on the chaebols' issuing stocks with no voting rights.

South Korea's most famous chaebols - Samsung, Hyundai, Daewoo, Ssangyong and Lucky-Goldstar - have done a great deal for the economy. In Hyundai's case, for example, the Seoul-based construction, automotive and engineering giant has earned South Korea more than \$24 billion in overseas contracts since 1966. According to both government and private economists, however, South Korea must now decentralize its economy to allow smaller companies to share in the wealth if the nation is to remain competitive against developing nations with lower labor costs.

South Korea's second-largest conglomerate, Samsung, had a turnover of \$49 billion last year. The company has an-

nounced that 10 of its 48 subsidiaries will become independent this year. Samsung's move is expected to be followed by other chaebols.

The administration's economic program is already showing encouraging results, with exports the first to show signs of a strong upturn. According to the Ministry of Trade, the arrival of letters of credit - which serve as a yardstick of estimated export trends for three months in advance - hit a record high of \$5 billion in May, an increase of nearly 14 percent over the previous year.

Exports to the United States - South Korea's most important market - rose by 5 percent in May, while those to China - potentially South Korea's key market - rose by a whopping 100 percent during the same time.

According to the Bank of Korea, foreign money is also beginning to flow back into South Korea: by mid-April, foreign investment rose to \$1.3 billion, compared with only \$2 billion for the whole of 1992.

Lucky-Goldstar's manager-director in Hong Kong, S.M. Kim, says that the government's plan is already working to strengthen South Korea's economy. "I think the economy will recover from last year's slump, but very slowly, by the latter part of this year," he says.

"The government is aiming to help the smaller or medium-sized companies. In principle, I think that the chaebols also agree with the government's policy, but opinions vary in various chaebols as to how to

actually execute its programs and goals."

Like many South Korean business executives, Lucky-Goldstar's Mr. Kim is delighted with South Korea's growing economic links to the new Russian Federation and other former Eastern bloc nations, which are now economic allies. Even the eventual unification of North and South Korea, which will require some economic sacrifice on the part of South Korea, is seen by most high-level South Korean business executives as a good thing. "Not only will it offer South Korean companies a source of low-cost labor, but it will also open up a major source of raw materials and land, which South Korean businesses can quickly develop," says S.M. Kim.

Aside from opening the door to foreign partnerships, the South Korean government is also encouraging global economic integration of South Korean companies overseas. Several major South Korean chaebols have recently opened securities subsidiaries in places such as Hong Kong, Tokyo, London and New York.

Since relations with China are now back on track, and since the links with Russia and the Commonwealth of Independent States are becoming increasingly closer, South Korea's economy is expected to grow from strength to strength by the mid-1990s. The former Hermit Kingdom seems fully determined to become a fully amalgamated member of the global economy. Steven Knipp

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Hyundai continues its commitment to advanced technologies and innovations. In 1992, we introduced the next generation 64M DRAM chips, firmly establishing ourselves as a new force in electronics.

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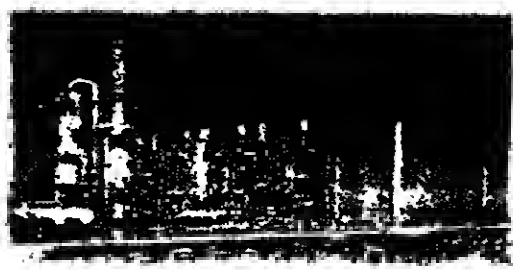


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The recently launched Moss-type LNG carrier is a result of our leading-edge technologies and innovative designs.



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SPORTS TOUR DE FRANCE

In Tour de France, Target Is Clear but Who Dares Attack?

By Samuel Abt
International Herald Tribune

PARIS — Claudio Chiappucci, who has twice finished second in the Tour de France, knows how to beat Miguel Indurain. So does Frédéric Moncassin, who has never come closer to the Tour than watching it on television.

"The way is to attack him, attack him and attack him again," Chiappucci says.

"Keep him under attack," confirmed Moncassin, who will be riding his first Tour. "Keep him and his team under pressure."

Everybody knows the secret, it seems. Why then has nobody been able to defeat the Spaniard in the Tour de France, the world's most important bicycle race, since 1990? And why will Indurain be such an overwhelming favorite when the three-week Tour begins Saturday in Le Puy du Fou in western France?

The answers are also questions: Who will be the cat? Who volunteers to throw away his own chances by carrying the fight to Indurain, the strongest rider in the pack?

As Chiappucci proved in the Giro d'Italia earlier this month, the rider who devotes himself to attacking Indurain risks exhaustion long before his intended victim. After days of trying — and failing — to speed away from Indurain in the mountains, the spent Italian staggered in ninth, 4 minutes, 15 seconds behind, in the decisive time trial. The time-trial winner was, of course, Indurain, who was en route to his second successive victory in the Giro, matching his string in the Tour.

No dope, Chiappucci has declined the kamikaze role in this Tour de France and nominated a couple of other riders. They are Tony Rominger and Alex Zülle, two Swiss who this year have dominated the stage races Indurain hasn't. Rominger won the Vuelta de España for the second successive year, barely beating Zülle, who won Paris-Nice. Both are strong climbers and splendid time trialers, as is Indurain.

This 80th Tour de France seems designed for them.

Included among its 3,720 kilometers (2,311 miles) will be five days in the mountains — two in the Alps and three in the Pyrenees. Twenty-one major climbs are scheduled, with nine of the mountains towering more than 2,000 meters (6,600 feet). The list includes such standard Tour backbreakers as the Galibier, Glandon and Izard passes in the Alps (July 14 and 15) and the Peyresourde, Aubisque and Tourmalet passes in the Pyrenees (July 19, 21 and 22) although the climb to Alpe d'Huez, usually a centerpiece, has been dropped this year.

Three long time trials, or races against the clock, are scheduled. Two will be on an individual basis: 59 kilometers on July 10 and 48 kilometers on July 24, the day before the finish in Paris. Preceding them will be a team time trial on July 7 over a shattering 81 kilometers.

Allegations Of Bribery Widened

Compiled by Our Staff From Despatches

VALENCIENNES, France — The Marseille player at the center of France's match-rigging allegations, Jean-Jacques Eydelie, was returned to jail Tuesday when his request for bail was refused by a judge here.

Meanwhile, the accusations of bribery by Marseille took on European proportions with the coach of CSKA Moscow claiming that members of the French club had tried to bribe his players during the European Cup competition.

Eydelie is alleged by two Valenciennes players, Jacques Glassmann and Christophe Robert, to have acted as a middleman in attempts to bribe them to throw a league match last month. Marseille won and became the French champion, days before winning the European Cup.

Marseille allegedly wanted an easy match against Valenciennes before it faced heavily favored AC Milan in the Cup final.

Robert, in an interview published Tuesday, admitted he had accepted cash to throw the match against Marseille, telling the weekly France Football: "I cheated, I'm going to pay for it."

The Valenciennes forward has been placed under investigation, a legal procedure that can lead to charges and a prison sentence.

Robert said he and two teammates, Argentina's World Cup star Jorge Burruchaga and defender Jacques Glassmann, were in his hotel room the night before the Marseille match when Eydelie, a former teammate of the three Valenciennes players, called and spoke to each of them, offering 250,000 francs (\$44,000) to be split among them to lose the match.

Robert said the offer was repeated by Marseille's general secretary, Jean-Pierre Bernes, who has been hospitalized, reportedly suffering from exhaustion. Bernes was placed under surveillance Tuesday by French police.

Robert said the three accepted the offer, and his wife, Marie-Christine, went to the Marseille team's hotel that evening and got



Jean-Jacques Eydelie: A judge in Valenciennes denied bail.

an envelope containing 250,000 francs in cash from Eydelie.

Robert said the three talked again the next morning and decided not to go ahead with the deal. He said he phoned Eydelie to tell him, but added: "The annoying thing is that I kept the money."

Police found 250,000 francs buried in the backyard of Robert's mother-in-law last Thursday.

Glassmann, without telling the others, informed Valenciennes' coach, Bruno Primorac, of the bribe and Primorac, in turn, told the club's directors before the match. Valenciennes lodged a protest with the referee at halftime, when it was already losing by 1-0.

Glassmann, who broke the story, has insisted he refused the offer from the start. He said in a radio interview Tuesday he was shocked by Robert's allegation he had initially accepted the bribe.

"I am the only one who has told the truth from the start," he said. "I'm prepared to defend myself, fiercely if I need to."

Burruchaga, who originally denied Glassmann's story of the phone call, later admitted it was true.

The Argentine is on holiday in Buenos Aires and has delayed a planned return to France.

CSKA faced Marseille in a series of Champions League matches that preceded the Cup final.

Gennadi Kostylev, the Moscow coach, said in a May 13 interview with the Russian daily Sport Express that "the French tried everything to ensure victory, particularly by offering players money before the matches in Marseille and in Berlin."

CSKA officials refused to comment Tuesday. But in Bern, UEFA announced that it would be following up on the allegations.

"It is surprising that the Russians should have waited so long to come forward," said UEFA spokesman Andre Vialle. "They should have informed us immediately. We will demand an explanation."

(AFP, Reuters)

Bad Sides to a Good Thing

LONDON — Americans are discovering idealism through the medium of soccer. Less than a year before the United States hosts the 15th World Cup, New Yorkers reach out asking the world's children to join their "International Soccer Exchange."

Give or take a hundred years, Europeans, Latin Americans, Africans and Asians had the same idea. Let us not be churlish. The National Soccer Hall of Fame, based in Oneonta, New York, has 1,000 American players and fans between 12 and 18 years of age, eager to correspond with enthusiasts around the world.

The organizers promote the idea of using soccer to teach social studies, geography and languages. Excellent. With 178 member nations — and more by the month as Eastern Europe's new states seek affiliation as a statement of identity — soccer crosses the boundaries of race, religion and creed more popularly than even music or dance.

If the Hall of Famers wish to, they will find existing pools of pen pals and cultural exchange groups wherever the game is played. Most know the value of soccer's key in the door; they also are aware that soccer is not always pure and that sometimes its tenets are clouded.

Take two names, Marseille and Iraq. Add two synonyms, corruption and war.

Olympique Marseille should now be in its finest hour, in France's finest hour. The word Olympique suggests a ring of honor without which the true French sportsman eschews the spoils of the game.

Just as it was Pierre de Coubertin who revived the Olympic ideal, so it was Gabriel Hanot who launched the European Champions' Cup.

It is 37 summers since Hanot, the football editor of the sports newspaper L'Equipe, called delegates from 18 countries to Paris to organize a tournament first envisaged in Mittel Europa. Until 1993, no French club had won it, or indeed the UEFA Cup and the Cup Winners' Cup.

So when Marseille brought home the Champions' Cup in May, L'Equipe led with a headline probably forged in the days of heavy metal:

"LE JOUR DE GLOIRE"

How sadly ironic it will be if the paper that actually made history and then waited 37 years to salute a French victory, should be obliged to campaign a return of that cup in disgrace.

IT BEGINS to look likely. In the very week of triumph, allegations were made that Olympique had fixed a French league match against Valenciennes days earlier.

Bernard Tapie, the city of Marseille's entrepreneurial politician and Olympique Marseille's president, called it a lynching without the slightest proof of guilt.

Money, he insisted, could not have been paid to anyone without his knowledge, so tight is his grip on the team's purse strings.

But players at Valenciennes, a team that was relegated as a result of losing the match that gave Marseille its fifth consecutive French championship, talked. Police dug into the affair.

And on Tuesday one of the arrested Valenciennes players, Christophe Robert, unable to explain how 250,000 francs came to grow in his in-laws' backyard, confessed that he took Marseille's inducement but "wasn't the only one."

The prosecutor waits on Jean-Pierre Bernes, Olympique's general secretary, who entered a hospital, reportedly suffering from depression, hours before the law knocked on his door. His doctors said Tuesday that Bernes was fit to face his interrogation.

Meanwhile, Marseille has resurfaced. The French league plays for time, its president saying Monday that the judicial hearing would likely take too long to prevent Marseille from being able to defend its championship and the country's European honor.

Once the new season began, he added, it would be too late to demote Marseille.

Too late? The proud old port club gives off an aroma heavier with suspicion than with garf: If jealousy is behind the confessions, then let us head it and quickly. If not, if Europe's champion of champions won through bribery, it will sully the roots of the world game.

In terms of cultural exchange, the Marseille affair may not be soccer's worst news in 1993.

Iraq's day is coming. The country is close to qualifying for the World Cup in America, closer still to treating sport as war in an encounter with Saudi Arabia.

Ten days ago, when Iraq eliminated China, Baghdad suffered more casualties than those hit by U.S. Tomahawk missiles.

Nine died, 120 were injured, when Iraqis fired shots into the air to celebrate reaching Asia's final qualifying zone.

IRAQ IS AMONG six teams — Japan, North Korea, South Korea, Saudi Arabia and either Iraq or Syria are the others — from whom two will reach the World Cup.

Even before this week's cruise missile attack on Baghdad, Iraq mixed sport and war rhetoric. "Your mission is part of the confrontation between Iraq and the Forces of Evil embodied by the U.S. and its allies," the army newspaper Al-Qadisiya told the players.

Iraqi state television began promoting the next round with this little homily: "Iraqis will celebrate their certain victory over Saudi Arabia, their implacable enemies, who will be crushed in front of millions of television viewers around the world."

Players are urged to consider themselves fighters for Saddam Hussein. "Carry on the struggle," they are instructed. "Think of the children and Iraqi old people who have suffered the unjust embargo."

Should Iraq fulfill expectations, imagine the security headaches at the World Cup. When England's team played the U.S. squad this month, the state police in Massachusetts escorted the players with motorcycle outriders front and rear, with three carloads of armoured officers between the minibuses, with a helicopter swirling overhead.

Imagine the security when less friendly nations come to perform. What, then, will be the image of this cultural melting pot of mankind?

The game can still be a vehicle for understanding. Left to itself, it would be. But those who invite to share our values of soccer — or football, as 176 nations call it — must also explain that it is a sport that expresses life and our world as we have made it.

Tell the children of its potential for good, but don't even try to hide the evil that needs no international exchange to jump aboard.

Rob Hughes is on the staff of The Times.

Grand Prix Racing: 1993 Is Shaping Up Great Despite FISA

By Brad Spurgeon
International Herald Tribune

PARIS — In a statement that surprised many in the sport, the pros and fans alike, Bertie Ecclestone, the head of the Formula One constructors' group, said that Grand Prix racing is show-biz. The question is, how

with five titles, but who won them by coming home first in 24 races in the 1992. No other driver has won the driver's title more than three times, although six have done that and of those, two are still racing: Prost and Senna.

For that reason, the 1993 season, now nearly half over, should be the most exciting in nearly 40 years. After seven races, Prost leads the drivers' standings with 47 points, closely dogged by Senna with 42. In third place is Damon Hill with 22 points, followed by Michael Schumacher with 20.

The chances are good that Prost or Senna will break the three-title barrier. And this could make for even more exciting 1994 and 1995 seasons, as Prost, 38, and Senna, 33, are capable of equaling if not bettering Fangio's record.

But a pall lies over the race tracks. Before Ecclestone's recent statement, the governing bodies that make the rules for Formula One — the International

Auto Sports Federation, known by the French acronym FISA, of which Ecclestone is a vice president, and its parent, the International Automobile Federation, or FIA — have been waging a high-pressure publicity campaign to alert the world to what they believe is the true nature of Grand Prix racing. What counts, they keep repeating, is the car, not the driver. They're lousy up on technology. Not the creation of better technology, but the destruction of great technology.

At the Canadian Grand Prix, 24 of the 26 cars were illegal under the new rules, according to FISA. In a letter to the teams that defied the limits on technology, FISA warned that these teams risked being barred from races, sometime in the future.

The makers of the rules are determined to take computers out of the cars. It means a punishing loss in time and research investment for the team owners and technicians, but the governing bodies think this will

make racing more interesting for the public, and less expensive for lower-budget teams. The tactic is not new. Rules changes made following the 1992 season limited the width of tires and outlawed a special fuel used by that season's team champion, Williams-Renault, which is to team up with Rothmans Racing for the next two seasons, entering two cars in the name of Rothmans Williams Renault. What FISA wanted was for racing cars to use a fuel more akin to that put in the family sedan.

The result? Cars are not only not going slower, as FISA wanted, but also several lap records were set this year, and the same teams are winning.

In fact, no matter how the governing bodies change the rules, the drivers' charisma and talent just keeps coming through. Take this season: Here's Senna, driving an inferior car and splitting the victories almost 50-50 with Prost. Here's Hill, driving a car equal to Prost's, and getting clob-

bered not only by his teammate but sometimes by drivers younger and sometimes less experienced. Like the German wunderkind Schumacher, who finished second in Canada as Hill came in third. Here's Jean Alesi getting consistently better times for Ferrari than his much more experienced teammate, Gerhard Berger.

The reigning Formula One champion, Nigel Mansell, defected to Indy car racing. He is now the leading driver on that circuit, with its less-computerized cars. A different car, different tracks, far different rules, but the same talented driver at his first Indianapolis 500, because of inexperience in dealing with caution flags.

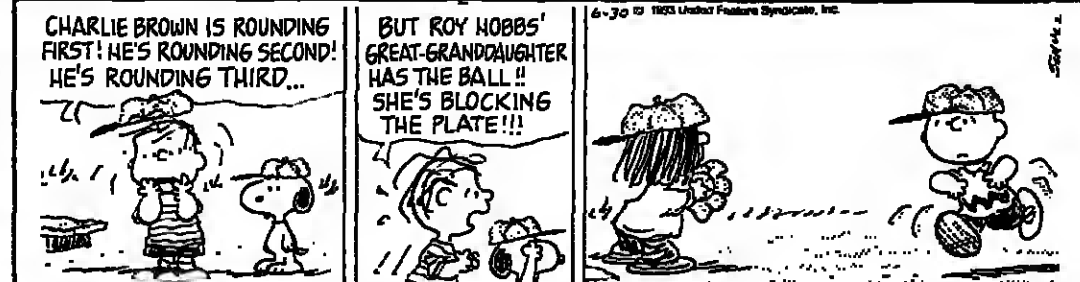
In Indy car or Grand Prix racing, a great car is nothing without a great driver. And so Fangio, who turned 82 last Thursday, is waiting for someone, anyone, to take away his record. If the sport's governing bodies don't get in the way.

DENNIS THE MENACE



WHO WAS YOUR BEST FRIEND BEFORE YOU MET ME, MR. WILSON?

PEANUTS



BLONDIE



BEEBLE BAILEY



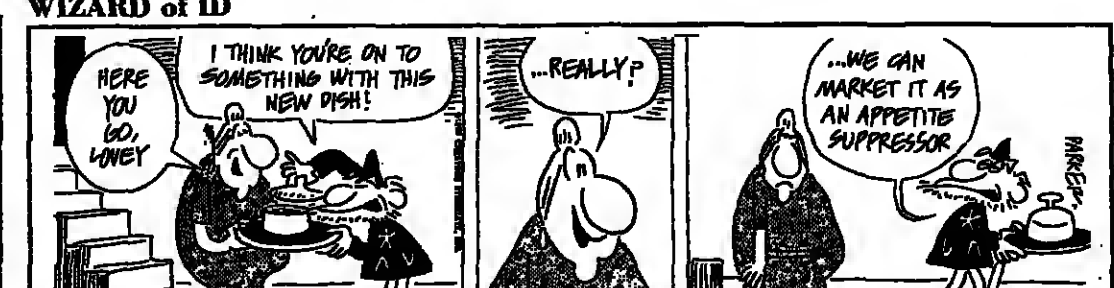
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WIZARD OF ID



REX MORGAN



GARFIELD



JUNIPER THAT SCRAMBLED WORD GAME

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WHAT HE HAS AS A RESULT OF TEARING HIS TENDON TO DRIVE.

Print answer form: []

Answers: []

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SPORTS WIMBLEDON

Graf and Navratilova March Toward Final



Left: Graf, right: Navratilova. Above: Capriati and Novotna.

For No. 1 and No. 2, The Court's Reserved

By Ian Thomsen

WIMBLEDON — Will you hit with me today? Steffi Graf seemed to ask her good friend.

I'd be glad to, Jennifer Capriati seemed to reply.

Graf reserved the court for 2 P.M. Tuesday. They both knew to be on time, because they only had it for 75 minutes. It's a grass court, a burnt back yard in appearance, with divots and hurricanes of dirt rising from overuse. The court was built years and years ago in what has since become a tourist area — especially this time of the year. There were probably 15,000 people within shout of the court when the players met there with a handshake Tuesday.

It takes a lot of nerve to play with so many people nearby, but this is a popular court, and when a slot opens up you don't turn it down. They would do their best to ignore the bustle.

I haven't been training hard enough recently, Graf seemed to complain as they warmed up.

What's the problem? Capriati seemed to reply from across the net.

It's tough finding good partners, Graf all but said as she tossed practice lobs to her friend. In effect she admitted: I've got the club championship this weekend and I wonder if I'm ready.

I'll get you ready, promised Capriati, for by the fifth game of their match she was breaking Graf's serve. In the ninth game she was one point away from breaking Graf again for the set.

Now, only a few players at this club are good enough to break Steffi Graf, and only one has any confidence of winning two sets from her. The outcome of this confidence will be tested in the club championship Saturday. On that rare day when anyone else succeeds in taking a set from Steffi, it becomes a topic of discussion in the clubhouse, just as others might debate a major drop in the stock market on Wall Street, or the capture of a major fish from a lake somewhere.

Graf is a tall, slender blonde. When she plays tennis she is definitely beautiful. She plays with a fluidity that might, in another personality, be expressed by dance. She never seems to sprawl or stumble or lose her balance — all of this without being stiff. The only point of contention about her game is that she rarely seems to enjoy it. The other women wonder, while they are inevitably losing to her, why does she play? What is her satisfaction in winning over and over, when she expresses so little joy? The answer to this, obviously, is that if celebrations were her intent, there wouldn't be nearly so much to celebrate, because then she'd be just like everyone else.

Capriati beat her last summer, in the final of a big amateur invitational somewhere, but the members wonder sometimes how much she actually likes tennis for someone who plays it all of the time. Other parents force the violin or piano upon their children; in Jennifer's case it was tennis lessons every day after school. It is their tennis that makes friends of Graf and Capriati, and they played Tuesday like any two competitive friends on any nameless, balding court anywhere in the world. And, this is the truth: If Capriati's forehead were anymore delectable, she would have broken Graf to win that first set. As it was she couldn't even serve it out. She lost that set in the tiebreaker, and then the next one belonged entirely to Graf, which is not to say that Capriati did not contest it to the end.

When the clock said they were down to their last minute, they played the kind of final, back-and-forth point that you savor on the drive home. Graf won it, of course. One waited while the other gathered her things. Then they walked out together.

So who is it you're playing Saturday? Capriati seemed to ask, with the understanding that Graf now was officially ready.

Arching her eyebrows in apprehension, Graf smiled and would have said, should have said: Martina.

The court was vacant for a few minutes, and the surrounding noise of human traffic pressed their way in. Then Navratilova walked into the sunshine. It was a beautiful day, and she looked around, as she always does, marveling at the availability of her favorite court on a day without rain. She was accompanied by Natalia Zvereva, who is only 22 and, reasonably, in awe. But then, everybody who knows Martina Navratilova struggles to suppress or articulate some measure of awe for her.

She was born in Prague, but escaped what was then Czechoslovakia, somehow. People who are too old to play remember her appearing at the club as a teenager. She played like a person of duty, with the motivation of someone wanting every reward. She has won the club championship nine times, a local record, and in her day she was a fiercer Steffi. But Martina is 36 now, and she has matured without a relevant depreciation of her skills.

All around, everyone has known this championship would come down to Steffi and Martina. When it finally happens Saturday, in front of everybody who cares, Martina will be trying to prove something elementally different from anything else she has ever proved to herself. That's why anyone plays at this extraordinary level, to prove something. You sure can't say they do it for the money.

On Tuesday Martina had the court for less than an hour, knocking Zvereva playfully around on a whim. When she needed a rest, she sat in her court-side chair as the sun from behind drew a bright line around her white clothes and golden hair, and then she might as well have been sitting in the greatest tennis stadium in the world to tell by her sigh, a few days before she is destined to play Steffi.

Capriati and Zvereva Ousted, Martinez Wins, and Novotna Upsets Sabatini

The Associated Press

WIMBLEDON, England — Steffi Graf and Martina Navratilova scored straight-set victories Tuesday in the quarterfinals at Wimbledon, edging closer to what seems like an inevitable encounter in the final.

Graf, the top seed and defending champion, saved a set point in the first set and then dominated play en route to a 7-6 (7-3), 6-1 defeat of Jennifer Capriati.

Navratilova, the No. 2 seed and nine-time champion, showed all her grass-court skills in crushing Natalia Zvereva, 6-3, 6-1.

Also reaching the semifinals were eighth-seeded Jana Novotna, who upset No. 4 Gabriela Sabatini, 6-4, 6-3, and No. 6 Conchita Martinez, a 6-1, 6-4 victory over No. 15 Helena Sukova.

To Thursday's semifinals, Graf will play Martinez and Navratilova will face Novotna. Neither Graf nor Navratilova has lost a set so far.

Graf took a painful injury during her match because of the right foot injury that she suffered during the French Open this month, but said "it was not overly hurting. I just wanted to be sure it would be O.K. if it was a long match."

She said the injury would cause "no problems at all" for the semifinals.

Capriati, the No. 7 seed, took the lead when she broke for 3-2 in the first set after a forehand error by Graf. Leading by 5-3, she had a set point on Graf's serve at 30-40 but squandered her chance when she sailed a forehand wide.

Graf said later she didn't even realize she had faced a set point.

"Really?" she said. "I didn't know. I was just taking it point by point."

Graf held serve, then broke in the next game with a backhand volley winner to make it 5-5. After Graf held serve for 6-5, Capriati served three set points in the next game and saved two consecutive aces to force a tiebreaker.

Graf went up, 6-1, in the tiebreaker, giving her four more set points. Capriati saved the first with a backhand return winner and Graf missed the second with a backhand into the net. But she capitalized on her sixth set point, rifling a forehand passing shot past Capriati.

"I didn't play aggressively enough in the beginning of the match," Graf said. "She played a very good first set. She should have won the first set, actually."

The first set lasted 48 minutes, as long as some of Graf's entire matches. The second set lasted just 27 minutes.

Navratilova's match against Zvereva was so one-sided that Navratilova's main problem was with the electronic line-calling machine, which she asked to be turned off.

"It takes me longer to get going, but I still move pretty well," she said. "I'm playing as good tennis as I ever have in my career. I'm just playing good tennis, period. My age doesn't count."

By beating Sabatini, Novotna reached the Wimbledon semifinals for the first time. She made it to the French Open semifinals in 1990 and the Australian Open final in 1991.

"Playing Gabby on grass, I felt I had the best chance," Novotna said. "Now that I've made it to the Centre Court in a semifinal, I'm looking forward to it so much. It's not going to be easy to handle that."

The occasion will also be momentous for Martinez, who reached the semifinals of a club Grand Slam event for the first time. She is also the first Spanish woman to reach the Wimbledon semifinals in the Open era.

Martinez, who reached the semifinals of a club Grand Slam event for the first time. She is also the first Spanish woman to reach the Wimbledon semifinals in the Open era.

Tuesday's Results at Wimbledon

WOMEN'S SINGLES, QUARTERFINALS: Steffi Graf (1, Germany) def. Jennifer Capriati (7, U.S.), 7-6 (7-3), 6-1; Jana Novotna (8, Czech Republic) def. Gabriela Sabatini (4, Argentina), 6-4, 6-3; Martina Navratilova (2, U.S.) def. Natalia Zvereva (15, Belarus), 6-3, 6-1; Conchita Martinez (6, Spain) def. Helena Sukova (15, Czech Republic), 6-1, 6-4.

WOMEN'S DOUBLES, QUARTERFINALS: Mary Joe Fernandez (U.S.) and Zina Garrison (U.S.) def. Lori McNeil (U.S.) and Sherry Strokes (A), 7-6 (7-4), 7-5; Pam Shriver (U.S.) and Elizabeth Smylie (A), Australia) def. Arantxa Sanchez Vicario (Spain) and Helena Sukova (Czech Republic), 6-3, 6-1; Lori Lohan (U.S.) and Conchita Martinez (Spain) def. Jill Hetherington (Canada) and Kathy Rinaldi (U.S.), 6-1, 6-2; Lorian Neiland (Latvia) and Jana Novotna (Czech Republic) def. Jo-Anne Fassell (Australia) and Julie Richardson (New Zealand), 7-6 (7-3), 6-4.

MEN'S DOUBLES, QUARTERFINALS: Patrick Rafter (Australia) and Mark Woodforde (A), Australia) def. Todd Woodbridge (A) and Mark Woodforde (A), Australia), 6-2, 6-1; Todd Woodbridge (A) and Mark Woodforde (A), Australia) def. Jeremy Beckett (Australia) and Bryan Black (Zimbabwe), 6-4, 6-3; Grant Connell (Canada) and Patrick Rafter (Australia) def. Patrick McEnroe (U.S.) and Jonathan Stark (U.S.), 6-4, 6-3, 6-7 (7-5), 7-6 (7-2), 6-4.

Smith Sets Record as Cardinals' 'Savior'

The Associated Press

It's been a great month for Lee Smith and the St. Louis Cardinals. Smith saved his 15th game of June, setting a major league record for most saves in one month, as the Cardinals moved closer to the first-place Philadelphia Phillies with a 3-1 victory Monday night in St. Louis.

He has saved each of the Cardinals' last nine victories and leads the major leagues with 29.

"We've got a long way to go," Smith said. "If we win one more of the next three we're O.K. If you're 10 or 12 back at the halfway point, that would be real tough to come back from. I want to be in there for these games."

The Cardinals, 19-6 in June, moved within 6½ games of the Phillies. The teams have three games left this week in Busch Stadium. Starter Rheal Cormier allowed

NL ROUNDUP

one run on five hits in 6½ innings and contributed a run-scoring single to his victory.

Gregg Jefferies extended his hitting streak to 11 games in the first inning with an RBI double, after Bernard Gilkey doubled and Ozzie Smith reached on an infield hit. Smith scored on Mark Whiten's double-play ball.

Pete Incaviglia hit a 448-foot homer, his 13th, in the fourth inning for the Phillies' only run.

The Cardinals got their third run in the fourth on a two-out single by Geromino Pena, a walk and Cormier's single.

Dodgers 4, Giants 6: Pinch-hitter Dave Hansen's grand slam, his first homer of the season, with two outs in the bottom of the ninth gave Los Angeles its victory over San Francisco.

Mike Piazza walked to open the ninth and Eric Karsos followed with a single. Cory Snyder's sacrifice moved the runners up before Eric Davis was intentionally walked to load the bases. After

pinch-hitter Lenny Harris lined out to shortstop, Hansen homered just inside the foul pole in right field.

Pirates 9, Expos 5: Looie Smith's bases-loaded walk led to a four-run 10th as Pittsburgh won in Montreal. It was the Pirates' ninth victory in their last 11 games after losing seven straight.

They had tied at 5 with two outs in the ninth on Orlando Merced's RBI single.

Cubs 4, Padres 3: Candy Maldonado's run-scoring single in the 11th gave Chicago its victory in San Diego; the Padres' second straight 11-inning loss, and their 12th in their last 16 games.

Fisk Released By White Sox

The Associated Press

CLEVELAND — Carlton Fisk, who last week set a major league record for catchers, has been released by the White Sox.

The move Monday was expected because of the 45-year-old's feud with management over diminished playing time as he chased the catching record.

He passed Bob Boone by catching for the 2,226th time, including appearances at other positions, Fisk played in 2,499 games in 22 seasons.

He joined Chicago in 1981 as a free agent after breaking in with Boston in 1969, before some of his teammates were born. He was the AL rookie of the year in 1972, and ranks 36th on the career home run list with 376.

He holds the record for home runs by a catcher (351) and was the only catcher to hit more than 100 home runs and steal 100 bases. He was also only the third catcher to hit at least 300 home runs, score 1,000 runs and drive in 1,000 runs. The others were Yogi Berra and Johnny Bench, both Hall of Famers.

But in 25 games this year, Fisk was hitting just .183 with one home run and four RBIs. He also had become a defensive liability, throwing out only one of 23 would-be base stealers.

Mike LaValiere and Rick Wrona will share the catching until Ron Karkovice returns from a shoulder injury.

Joe Casseco of the Rangers has a torn elbow ligament and is likely finished for the season.

Frank Jobe, the noted orthopedic surgeon, examined Casseco's right elbow Monday and confirmed that team doctors' diagnosis of a torn ulnar collateral ligament. A third opinion will come later this week from Dr. James Andrews in Birmingham, Ala.

Jobe and the team orthopedic surgeon, John Conway, have recommended surgery.

Blue Jays Batter the Orioles, Increase Lead in AL East to 3

The Associated Press

It's not just John Olerud. Almost everyone seems to be hitting for the Toronto Blue Jays, and pity the pitcher who gets in their way.

Starter Rick Sutcliffe was the Blue Jays' latest victim, as his six-game winning streak vanished Monday night in Baltimore under

AL ROUNDUP

a barrage of hits that gave the Blue Jays a 7-2 victory over the Orioles and lengthened their lead in the American League East to a season-high three games.

"That's some lineup they've got," Sutcliffe said. "They have a lot of good things going on right now."

Indeed, the Blue Jays are hitting a whopping .283 this season and have scored more than six runs per game in winning 11 of 13.

Olerud, who is leading the way with a .406 batting average, drove in four runs to match his major league high, Roberto Alomar tied his career best with four hits, and the Blue Jays hit six doubles among their 11 hits.

Olerud went 2 for 4 and has added eight points to his average with five hits in his last two games.

The top four players in the Toronto lineup reached base 11 times, making it easy for Olerud to clean up. He hit a bases-loaded single in the first and two-run double in the seventh.

Yankees 6, Tigers 2: Jimmy Key won his sixth straight, giving up only four hits and striking out eight in 7½ innings in New York as Detroit lost its seventh straight, all on the road.



Chicago's Joey Cora had a message for the departed Carlton Fisk.

The Tigers, playing 20 of 24 on the road, led the division by two games on June 20 but have been outscored, 62-23, during the skid and lost each game by at least three runs.

"I'm not worrying about it for only one reason — it wouldn't do any good," said the Tigers' manager, Sparky Anderson.

Bernie Williams hit a two-run homer for the Yankees in the third, Don Mattingly hit an RBI single during a four-run fourth inning, making it 7-1, then hit his fifth home run of the season in the sixth.

Red Sox 4, Brewers 3: Scott Cooper hit a two-run single in the bottom of the ninth as Boston rallied to beat Milwaukee, giving its season-high seventh straight game.

Royals 4, Rangers 2: Chris Haney struck out a career-high

nine in 5½ innings and gave up just four hits in Texas as Kansas City stopped a three-game losing streak.

Kevin McReynolds hit his first home run since April 23, and Brian McRae hit a two-run single for the Royals. Jeff Montgomery pitched two innings for his American League-leading 23d save.

Marlins 4, Twins 1: Dave Fleming allowed only five hits in eight innings, and Norm Charlton pitched a perfect ninth, as Seattle won at Minnesota.

Indians 2, White Sox 0: Alvaro Espinoza and Felix Fermin hit consecutive RBI singles in the eighth as Cleveland beat visiting Chicago, whose Jason Bere pitched a seven-inning for his first complete game in seven major league starts. He walked seven and struck out five.

SCOREBOARD

NATIONAL LEAGUE

Pittsburgh 101 102 901 4-7 12 2
Montreal 101 200 600 8-5 7 8

Walt, Otto (4), Taylor (7), Candelaria (7), Warkentin (4), Bellota (10) and Slaughter (7).
Martinez, Rota (6), Werleford (1), Scott (1), Fossas (1) and O. Fletcher, Lauer (1).
W-Walkerville, 4-7, L-Scott, 2-1, HRs-Pittsburgh, Slaughter (1), Montreal, Vander Wal (2), D. Fletcher (2).

Philadelphia 600 100 000-1 8 8
St. Louis 200 100 000-3 7 8
Dix, Johnson, DeLeon (7) and Williams, Laine (1); Cormier, Olivares (1), Murray (8), Perez (1), L. Smith (1) and Pogorzal, W-Carmier, S-L-Dr. Jackson, 7-4, S-L-Dr. Smith (2), HR-Philadelphia, Incaviglia (12).

San Diego 800 200 001 0-14 10 2
San Francisco 100 000 00-1 9 8
Wendell, Pincus (8), Scanlon (8), Asenmacher (18), Myers (11) and Williams, Laine (1); Gr. Harris, Gr. Harris (17), Mason (10) and Higgins, W-Asenmacher, 3-1-L-Mason, 0-2, S-Aasenmacher (22).

San Francisco 600 000 000-7 1 1
Los Angeles 000 000 000-4 5 1
Black, Ribalet (18), A. Jackson (18) and Monwarra; Candlish, P. Martinez (9) and Plaza, W-P. Martinez, 4-2, L-A. Jackson, 4-2, HR-Los Angeles, Hansen (11).

Japanese Leagues

Central League
W L T Pct. GB
Yokohama 21 11 1 54.8
Yokohama 21 11 1 54.8
Yokohama 21 11 1 54.8

Pacific League
W L T Pct. GB
Seibu 17 10 1 45.8
Nippon Ham 12 11 1 52.0
Tohoku 27 25 2 52.0
Orix 24 29 1 45.4
Lotte 23 23 1 49.2
Hanshin 24 21 2 48.2

Yokohama 4, Chunichi 1
Yokohama vs. Yokohama, post. rain
Hanshin vs. Hanshin, post. rain

Seibu W L T Pct. GB
Nippon Ham 12 11 1 52.0
Tohoku 27 25 2 52.0
Orix 24 29 1 45.4
Lotte 23 23 1 49.2
Hanshin 24 21 2 48.2

Doi, post. rain
All games, post. rain

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SIDELINES

From Title Bout to Bribery Charge

NEW YORK (AP) — Heavyweight boxer Ray Mercer was arraigned Tuesday on a charge of offering \$100,000 to Jesse Ferguson to take a dive during their Feb. 6 fight in Madison Square Garden.

Mercer, 32, who was arrested Sunday in Indianapolis, pleaded innocent and was released on his own recognizance by Judge George Roberts of Criminal Court of New York. His next court appearance is scheduled for July 12.

Mercer lost a unanimous 10-round decision to Ferguson and the defeat cost him a \$2.5 million title bout against heavyweight champion Riddick Bowe. Ferguson fought Bowe on May 22 and was stopped 17 seconds into the second round.

For the Record

The British Lions, preparing for Saturday's rugby test against the All Blacks, was routed, 38-10, by New Zealand provincial champion Waikato, which ran up a record 38 points against the visitors.

The Miami Heat of the NBA said they plan to build a \$100 million arena seating 17,000 to 19,000 that will include such innovations as seats with computer screens that will allow fans to order food and call up detailed game statistics and scores.

Genaro Hernandez of Mexico retained his WBA junior lightweight title with a one-punch knockout of former two-time world champion Raul Perez of the United States in the eighth round of the bout in Englewood, California.

Omar Camporese and Diego Nargiso, the top players on the Italian Davis Cup team, are nursing injuries and are questionable for the quarterfinal matches against Australia in Florence on July 16-18, the team said.

Quotable

● Nancy Lopez, the LPGA Hall of Fame golfer, on gambling: "I bet for Cokes and stuff. I choke when I play for \$5."

● Writer Peter Dobner, on Arnold Palmer: "I never figured out what women saw in him, but I'd like a case of it."

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OBSERVER

Aw, Forget It, Taffy

By Russell Baker

NEW YORK — I telephoned Taffy's house. Naturally a machine answered. "If it is dinner time, press 1," said the machine. It was 3:13 P.M., so I did not press 1. The machine said, "If it is not dinner time, press zero."

Johnny, France's Rocker for All Ages

By Mike Zwerin

PARIS — Johnny Hallyday's 50th birthday on June 15 has been as difficult to ignore during the past few weeks in this country as a cow Spielberg movie or a Paris-Marseille soccer match you don't much care about.



Johnny Hallyday in 1962 and at his 50th birthday celebration earlier this month.

rock 'n' roll singer has an uncle from Tulsa. He was 45 minutes late. Out from 7,000 people were stamping and shouting "JOHN-NY JOHN-NY!" My 5-year-old son had to go to the toilet. Johnny called over one of a group of fine-looking young women in his entourage and arranged for it. He was charming, clowning around: "Lucky kid," he said. We all laughed.

Don Coeur, Chubby Checker's "Let's Twist Again" translated as "Viens Danser Le Twist." This sort of thing was called "Yé-Yé."

PEOPLE

Qualifier Is Dropped

From Book on Kennedy

The publisher of Joe McGinniss's forthcoming biography of Senator Edward M. Kennedy said it would remove a statement from the book that the author had invented some characters' thoughts and dialogue.

A lawyer for Whitney Houston denies a report that the pop singer was treated at a hospital after overdosing on prescription diet pills. The hospital said there was no record of her there.

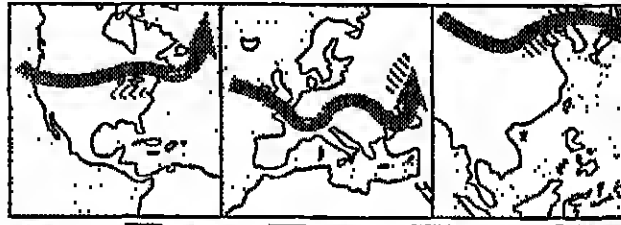
The Duchess of York and her children may get £2 million (\$3 million) or more under the terms of her final separation from Prince Andrew.

Roy Black, the lawyer who won the acquittal of William Kennedy Smith on rape charges, is doing one of the jurors in the case. He said his relationship with Len Haller began a year after the 1991 trial when the two "bumped into each other."

INTERNATIONAL CLASSIFIED Appears on Pages 6 & 7

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.



North America The nation's midsection, from Wichita to Chicago will have hot weather late this week. Cooling thunderstorms are likely from Kansas City to Detroit, but Dallas to Cincinnati will remain rain-free. Warmer and more humid weather will return to Washington D.C. and New York City.

Table with weather data for various regions including Europe, Asia, Africa, North America, Middle East, and Latin America. Columns include High, Low, Wind, and Precipitation.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle from June 29.

If you're going to travel all over the map, here's how to call from almost any point on it.

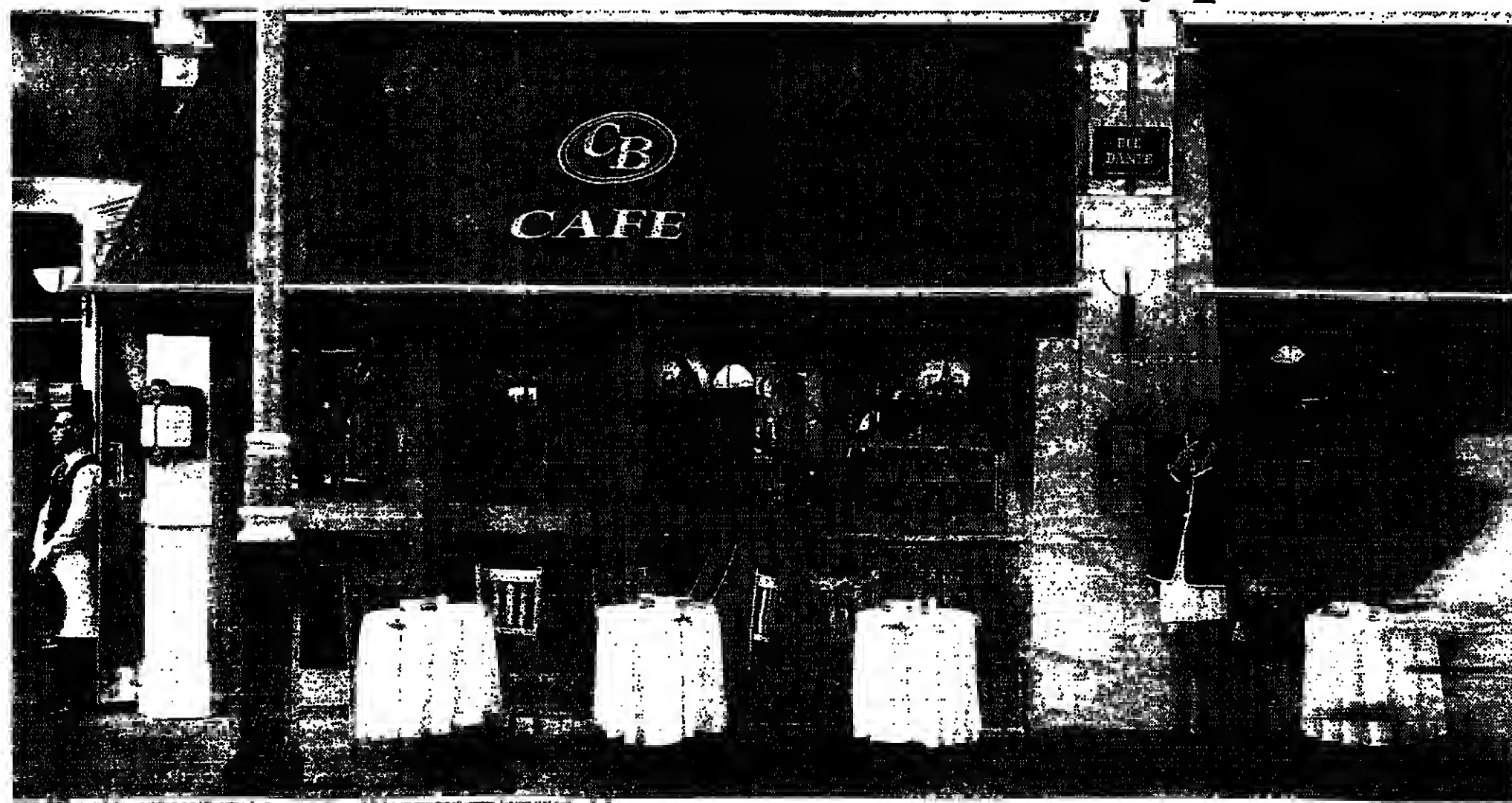


Table titled 'AT&T Access Numbers' listing international dialing codes for various countries and regions.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries.